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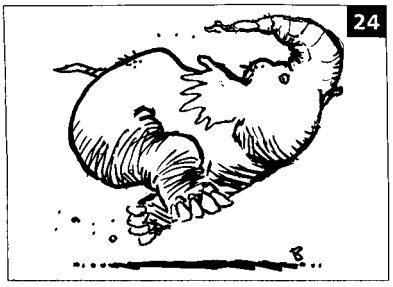

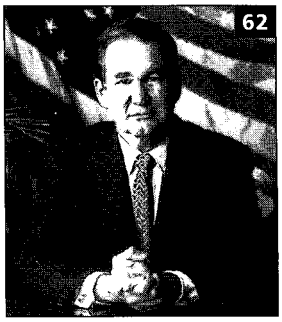

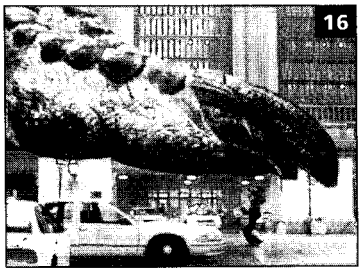

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Lost Horizon

An alienated GOP hands the future to Al Gore.

By Virginia Postrel

Republicans sound different when they talk to their big donors. The party they describe isn't a party you hear from much these days. They say nothing about "culture wars" and lots about freedom. They praise entrepreneurship and free enterprise. They hardly even utter the word *conservative.*

And they choose their speakers accordingly. At a January conference for Team 100—donors who give the GOP at least $100,000 every four years and make five-figure contributions in between—Jeff Eisenach, the president of the Progress and Freedom Foundation, told the audience about a survey *Wired* magazine had commissioned. "Digitally connected" citizens, he reported, are well educated, very affluent, white, and mostly male. They believe in free markets, go to church, and are optimistic about the future. While patriotic, they are skeptical of government's ability to solve problems.

In other words, Eisenach concluded, they should be Republicans. But they aren't. The GOP does fairly well among them, claiming about 40 percent. But about a quarter call themselves independents and fully a third are—horror of horrors! —Democrats. Charged with discussing "The High-Tech Community and the GOP Vote," he went on to dispense practical advice: Pay more attention to technology issues. Don't hide huge new taxes in telecom legislation. Spend more time schmoozing Silicon Valley.

It was an interesting talk, and something the audience needed to hear. Despite a methodology that overemphasized owning pagers and cell phones, the *Wired* survey did identify a real and important political subculture—informed, active, and largely up for grabs. The "connected" make up less than 10 percent of the population, but they are disproportionately influential. (And, if anything, *Wired*'s methodology undercounted them.) From such swing voters come political realignments.

But Eisenach didn't get to the heart of the matter. He made the mistake political analysts and operatives almost always make on this subject. He confused a cultural identity with an economic interest. So he offered his audience a narrow agenda of business issues. He had nothing to say to the values that move such voters.

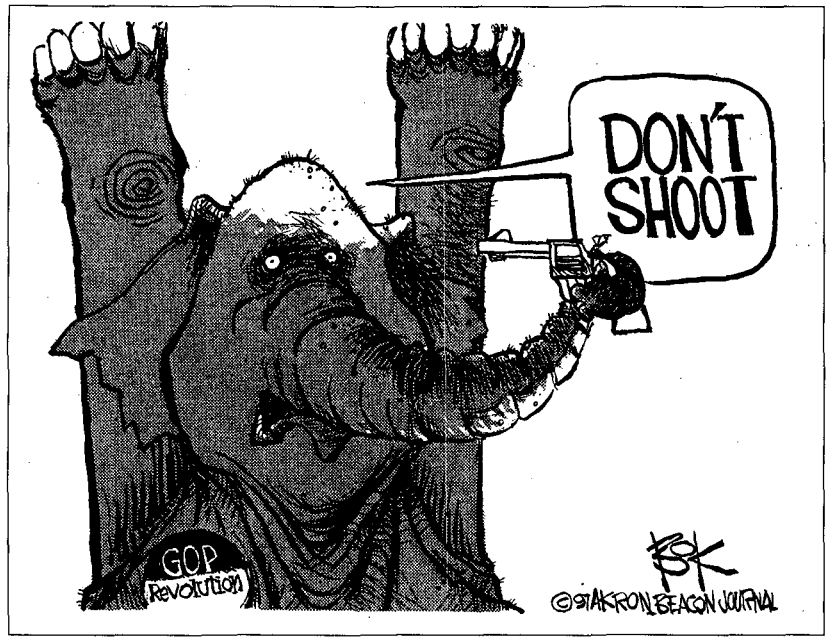
In a recent article in *The Weekly Standard,* conservative lawyer and PBS host-producer Hugh Hewitt repeated the error, adding a layer of pejorative language. As the articulate co-host of the leading public affairs show in Southern California, Hewitt is the face of the Republican intelligentsia for a good chunk of the nation's largest state—the state that controls a fifth of the electoral college. Like Bill Bennett or Bill Kristol on the national level, he therefore exercises a disproportionate influence on how his party is perceived. And like them, Hewitt has increasingly little use for the entrepreneurial crowd.

Each major party, he argues in the *Standard,* is made up of three subparties: For the Republicans, these are the "Party of Faith," the "Party of Wealth," and the "Party of Patriotism." Ignoring the GOP's suburban base altogether, Hewitt uses his typology mostly to argue that the party should kowtow to such Christian-right leaders as James Dobson and Gary Bauer. The article oozes contempt for the shallow, ignorant money grubbers who send the party six-figure checks. Hewitt writes of the Party of Wealth:

"From mutual-fund managers and some big-business types to small entrepreneurs and anti-tax activists, these folks believe in the bottom line. 'If GDP increases, all is well,' is their credo. They write checks to campaign coffers, and they vacation out of state. Net worth is the key to their hearts and minds.

"There have been substantial defections from this group to the Democrats in recent years, especially from the higher income brackets, where laissez-faire lifestyle politics holds sway. Unfamiliar with the redistributionist zealotry of the old Left (or so rich they don't much care what slice the government takes), these newly wealthy technocrats tend to discount the importance of politics. Their discomfort with the Party of Faith propels them into the arms of their natural enemies."

There is indeed a traditional Republican "party of wealth," the old Rockefeller types, but



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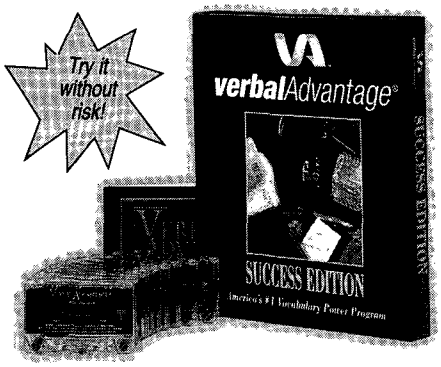

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they don't seem to be the people Hewitt has in mind. Instead, he scorns those Republicans who resonate to the American ideals of personal achievement and economic progress. Hewitt's Party of Wealth is but another imperfect way of identifying what *Wired*, with its own techno-emphasis, called the "connected." But instead of celebrating them, Hewitt finds them annoying and a bit stupid. They don't even know their own interests.

Americans care, of course, about their economic interests. But they care first about their identities. Consider the tax-paying, socially conservative Latinos who went Democratic in droves thanks to Pete Wilson's "They keep coming" campaign for Proposition 187. If voters feel personally attacked—because they are Latinos, or working women, or housewives, or evangelical Christians, or gays—they will bolt the party that serves their economic interests. Their "natural enemies" will start to look like their friends. And if they are courted, valued, and made to feel at home, they will reciprocate. Hence, as the saying goes, American Jews have the incomes of Episcopalians and the voting patterns of Puerto Ricans.

The people *Wired* identifies as the "connected" and Hewitt calls the "Party of Wealth" are in fact defined neither by their gadgets nor by their money. They have a cultural identity, a cluster of distinguishing values, and a worldview. When you ask Silicon Valley executives why they do what they do, they almost never mention money, and they certainly don't brag about their cell phones. They talk about "the ability to constantly learn new things," about "constant change, challenge, learning, growth," about "creating something significant."

Although they are most visible in Silicon Valley, you can find people with the same attitudes everywhere. Theirs is not the Party of Wealth but, in a broad cultural sense, what F.A. Hayek called "the party of life": They value learning and achievement. They accept trial-and-error experiments. They look forward to the future. They believe in creativity, enterprise, and progress.

Ronald Reagan spoke their language, which is why a remnant of Republican leaders (and a lot of big Republican donors) still imagine they belong in the GOP. A quintessential Californian, Reagan combined the state's Midwestern work ethic with its Western sense of possibility and self-fashioning. He imagined America as a city on a hill: "a tall, proud city built on rocks stronger than oceans, windswept, God-blessed, and teeming with people of all kinds living in harmony and peace; a city with free ports that hummed with commerce and creativity." In less-poetic tones, another Midwesterner who made it big in the Golden State speaks for that lost Reaganite vision. In America, Rush Limbaugh tells anyone who will listen, "ordinary people can do extraordinary things."

You would think that the vision of Reagan and Limbaugh would be at home in the Republican Party. But you would be wrong. In mainstream Republican rhetoric, the city on a hill has been replaced by a swamp of iniquity, the God of blessing by the God of wrath. No wonder Bob Dole's 1996 convention speech promised to build a bridge to the past. Dole was pandering to the party's imagined base. All the present holds, he said, "is crime and drugs, illegitimacy, abortion, the abdication of duty, and the abandonment of children." Americans are horrible, evil people, and our civilization offers nothing of merit. Hewitt writes, "The country, in the eyes of the faithful, may be irretrievably diseased."

As the 1996 election returns suggest, this bitter alienation turns off a lot of Americans. The typical suburbanite does not see our culture as "irretrievably diseased" merely because it is not perfect. Telling voters that America is awful is the fastest way to electoral defeat. And that gloomy, repressive vision especially repels the party of life. It strikes at their core values, attacks their identity.

Nowadays, the GOP's agenda is set by people whose highest legislative priorities include finding some way to regulate the Internet, which they portray as nothing more than a sea of sin, and banning human cloning and related medical research. For the party of life, these are neither cheap, symbolic issues nor narrow, wonkish concerns. They are cultural touchstones, every bit as charged with identity as matters of race or gender. The Internet is, for millions of forward-looking Americans, what Israel is to Jews. When Dick Armey gives speeches about mad scientists

and suggests that biomedical research defies God's will, he may win some points with Gary Bauer. But he is handing the future—and all it represents—to the Democratic Party.

Like Hewitt, I believe that the high-tech entrepreneurs who hang out with Al Gore are politically naive. They are giving their time and money to a man who wrote an endorsement blurb for Jeremy Rifkin's anti-biotech screed, *Algeny*, and whose career has been marked by an impulse to slap regulations on technologies old and new. They are implicitly endorsing a vision of the future as designed by Washington bureaucrats. The Democrats' zest for higher taxes is the least of their worries.

But identity trumps interest. Whatever he may have said in the past, nowadays Gore courts innovators, says they're important, affirms their values. Bill Clinton does the same. The Democrats may be lying, but the national Republican Party is hardly even trying. It is too busy advancing its own agenda of new regulations—and too busy appeasing activists who think Ralph Reed is a moderate squish. It is too busy heaping contempt on the people who are creating the future.

Yes, there are many fine Republican officeholders—people like Reps. Chris Cox (R-Calif.) and Rick White (R-Wash.) or Sens. Connie Mack (R-Fla.) and Spence Abraham (R-Mich.)—who support opportunity and openness. But they are virtually invisible. Theirs is not the message of the national party, a message that is carried not only by official spokesmen but by the Bauers and Bennetts, Kristols and Dobsons—all the pundits and activists for whom the party is a vehicle to attack contemporary America. To the values of creativity, enterprise, and progress, the Republican Party says nothing, except occasionally, "Shut up, Newt."

Maybe the problem is all those Washington-based intellectuals whose professors taught them that civilization has been going downhill since the Renaissance. Maybe it's too many fund-raising dinners for Team 100, where party leaders address entrepreneurs as mere sources of big bucks. Maybe it's a reaction to Newt Gingrich's jargon-filled enthusiasms. Or maybe it really is the conviction that the upwardly mobile Republicans of the South care only about banning abortion, denouncing television, and censoring the Internet—and that the South is all of America.

Whatever is going on, the GOP has reclaimed its old status as "the stupid party," deaf to the language of achievement and hope. With the 2000 presidential race fast approaching, it has two years to get smart—to re-embrace the Reaganite ideal of a city on the hill and stop bashing America. It has two years to affirm the values of creativity, enterprise, and progress. If it doesn't, it will lose much more than another presidential election. It will lose its claim on the American Dream.

Mouths Sued Shut

Making racketeers out of protesters

By Jacob Sullum

Tendentious terminology has always been a problem in the abortion debate. People who support restrictions, for example, call themselves "pro-life," implying that their opponents are "pro-death." Now a federal jury in Chicago has resolved this semantic difficulty. The correct term for anti-abortion activists, it turns out, is *racketeers*—or, if you prefer, *extortionists.*

That was the upshot of a class action lawsuit filed 12 years ago by two abortion clinics and the National Organization for Women. NOW argued that Joseph Scheidler of the Chicago-based Pro-Life Action League and three other prominent activists had violated the Racketeer Influenced and Corrupt Organizations Act (RICO) by encouraging anti-abortion protests.

Under RICO, Scheidler et al. are liable for triple damages, and abortion clinics around the country are expected to demand compensation (mostly for extra security costs). If the verdict is upheld and other groups copy NOW's strategy, many forms of political activism could become prohibitively expensive.

Since RICO was intended to fight organized crime, applying it to anti-abortion activists required some creative definitions. According to my dictionary, *extort* means "to wrest or wring (money, information, etc.) from a person by violence, intimidation, or abuse of authority." Yet NOW maintained that anti-abortion protesters were guilty of extortion, a "predicate act" under RICO, when they blocked the entrances of clinics. Exactly what they wrested is a little hazy.

Similarly, my dictionary defines *racket* as "an organized illegal activity, such as bootlegging or the extortion of money from legitimate business people by threat or violence." On the face of it, anti-abortion protests don't fit into this category very well.

But Susan Hill, who owns the two clinics that sued Scheidler and his colleagues, explained that appearances can be deceiving: "In our case, they weren't coming for the bag of money—but to force us to close down by blockades or threats. For us, working in the clinics, it was racketeering." In 1994 that argument got a boost from the U.S. Supreme Court, which unanimously ruled that an "enterprise" can be subject to RICO even if it's not aimed at making money. But in a concurring opinion, Justice David Souter said courts should "bear in mind the First Amendment interests that could be at stake," since "RICO actions could deter protected advocacy."

In fact, RICO actions against political groups are *intended* to deter advocacy. Protesters who use force to prevent abortion—whether through blockades, vandalism, or violence—have always been subject to arrest under state law. Four years ago, just in case the existing prohibitions against trespassing, disorderly conduct, and assault were inadequate, Congress passed the Federal Access to Clinic Entrances Act.

So RICO is not needed to punish activists who violate other people's rights. RICO is needed to punish activists, like Scheidler, who don't commit crimes but who plan

and participate in protests where other people do. NOW argued that Scheidler's writings and public comments implicitly condoned illegal behavior. But any vigorous condemnation of abortion—say, equating it with murder—could be said to encourage lawlessness.

Ann Rose, a women's health consultant who maintains the Web site Abortion Clinics Online (www.gynpages.com), reports receiving the following message: "I think anyone that promots [sic] the destruction and death of human life does not deserve their own life. Get your crap off the web." Though Rose calls this a "death threat," it seems more like a strongly worded protest. Still, some people *have* killed for this cause, so activists might reasonably worry that expressing such opinions would invite a RICO lawsuit.

Since every protest movement includes hotheads who get carried away or extremists who are prepared to break the law, NOW's successful use of RICO has sweeping implications. The law could be used against animal rights activists, environmentalists, union members, supporters of racial preferences—even feminists.

No less an authority than G. Robert Blakely, the Notre Dame law professor who wrote RICO, warns that applying it to protesters will have a chilling effect on speech. "Everybody who loves the First Amendment has got to sleep uneasily tonight," he said after the verdict.

Even the people who brought the lawsuit seem to have qualms about it. "I don't like RICO; I think it's a terrible statute," NOW attorney Fay Clayton told *The National Law Journal* during the trial. "But as long as it's there, we should use it." Given RICO's potential to squelch dissent, that sort of moral reasoning is not exactly reassuring.

This article was originally distributed by Creators Syndicate as Jacob Sullum's column for the week of May 6. To read more of his columns, see Reason Online at www.reason.com/sullum/sullum.html or ask your local newspaper's opinion editor to contact Creators about carrying the column.

Timing Error

Politicians just can't keep up with health care markets.

By Michael W. Lynch

"Without reform, spending on health care will reach 19 percent of GDP by the year 2000," the White House warned ominously in an October 1993 press release. "If we do nothing, almost one in every five dollars spent by Americans will go to health care by the end of the decade, robbing workers of wages, straining state budgets and adding tens of billions of dollars to the national debt."

Well, we did nothing, at least nothing resembling the proposed ClintonCare system that promised to push every American into a government-managed health alliance. The decade is nearly ended, and American workers are again getting raises, state budgets are in the black and the central question facing Washington's budget writers is what to do with the purported *surplus.*

So what went right? Americans said "No" to ClintonCare and left the medical marketplace relatively free to evolve. In fact, by the time Hillary Clinton's task force got around to unveiling its notoriously bureaucratic solution, the central problem it aimed to solve—double-digit health inflation—was already a thing of the past. In 1993, total health spending increased 8.6 percent. By 1994, the private sector health market was deflating, with insurance premiums dropping 1.1 percent, according to the well-respected Mercer/Foster Higgins National Survey of Employer Sponsored Health Plans. Total health care spending as a share of GDP has held constant at 13.6 percent since 1993.

America's move to managed care put the lid on health costs. But there was a trade-off: Patients, doctors, and nurses, long accustomed to blank-check insurance, suddenly found themselves dealing with firms that limited choice. Patients found their choice of doctors restricted; doctors found their choice of medical procedures questioned by the companies paying for those procedures. This situation led today's health care problem: the "crisis" in managed care.

Just as Washington wanted to solve the cost crisis in 1993 and 1994, it now wants to deploy its regulatory wisdom to remake managed care. Sen. Thomas Daschle (D-S.D.) and Rep. John Dingell (D-Mich.) are sponsoring the Patient Bill of Rights to implement the recommendations of the President's Advisory Commission on Health Care. On the other side of the aisle, Sen. Alfonse D'Amato (R-N.Y.) and Rep. Charles Norwood (R-Ga.) are sponsoring the Patients Access to Responsible Care Act (PARCA). (See "Clinton Care Lite," February.)

These bills differ in degree, but not in their heavy-handedness. And, just as the Clintons' bureaucratizing solution to health care inflation arrived as the problem was being resolved, the current crop of health care reformers are tackling issues that health care companies, in their need to keep customers happy, are already addressing.

Central to both the Democratic and Republican bills is a mandate on health insurers to provide a point-of-service option, which is health care jargon for being allowed to use a doctor who is not a member of the patient's insurance company's network. According to D'Amato, among the rights our federal government should secure is the "right to choose [our] own doctor."

But Americans already enjoy this right. What D'Amato really means is that government must dictate the contracts which private companies make with their customers. In this case, that means using the full force of the federal government to secure a patient's "option to see doctors outside their HMO for an additional fee."

This provision addresses Americans' main gripe with managed care: the restrictions HMOs place on choice. But that preference is already being addressed by firms in the marketplace; after all, those companies can only prosper if they offer their customers what they want.

The American Association of Health Plans, which represents more than 1,000 managed-care companies, reports that just under 92 percent of Americans with employment-based health insurance have the choice of at least one plan that allows patients to use doctors who are not part of a company's network. Mercer/Foster Higgins data also show that the trend in health care is clearly to more open networks. From 1992 to 1997, seven in 10 Americans who left traditional indemnity plans went to preferred provider plans or point-of-service plans, which are less restrictive than traditional HMOs.

And lest they lose out competitively, HMOs now let customers go out of network. This trend started in 1996, reports *California Medicine*, when Blue Shield offered its Access+ HMO plan. To stay competitive, other firms, including Kaiser Permanente—the quintessential staff-model HMO—now offer POS options.

Even one of Washington's top HMO-bashers noted the trend, although he did so in support of his bill that would saddle HMOs with more regulations. "The health plans themselves are running ads touting the fact that they are different from the bad HMOs that don't allow their subscribers their choice of doctors, or who interfere with their doctors practicing good medicine," Rep. Greg Ganske (R-Iowa) stated on March 31.

For most people, this would be a sign that HMOs are responding to customer feedback and the market is working. But for Ganske, "This goes to prove that even HMOs know that there are more than a few rotten apples in the barrel." His assumption, of course, is that it is up to Washington's policy makers, not consumers, to sort the fruit.

Washington's best and brightest have a consistent blind spot when it comes to market processes. In October 1993, Laura D'Andrea Tyson, who then chaired the Council of Economic Advisors, claimed "market failures" were driving what was still thought to be America's health care inflation. "There is a lack of price competition in the market for insurance," Tyson wrote in a document released by the White House, "because many individuals do not have a choice of health plans."

Today's would-be reformers charge just the opposite: that individuals are deprived of a choice because intense price competition relegates them to restrictive HMOs. These criticisms are not only at odds with each other, they are at odds with reality, too.

At the very time Tyson was developing her inaccurate explanation for health care costs, intense price competition was bringing health costs down. Employers simply wouldn't continue to suffer double-digit increases in health costs, nor would their employees, who preferred such things as salary increases to gold-plated health insurance.

HENRY PAYNE

Similarly, as upwards of 80 percent of Americans find themselves in some sort of managed care, that industry is developing products to meet a diversity of needs. Just because Americans don't purchase their own health insurance directly doesn't mean there's "market failure." And just because employers are cost-conscious doesn't mean they have an incentive to cut corners on their health plan. They must ultimately keep their employees happy.

Washington's lawmaking process is cumbersome. By the time laws and regulations are shaped, the information to which they are meant to respond has become outdated. But if government can't keep up with rapidly evolving markets that are experimenting with new ways to deliver products, that doesn't mean policy makers should make the work of markets more difficult.

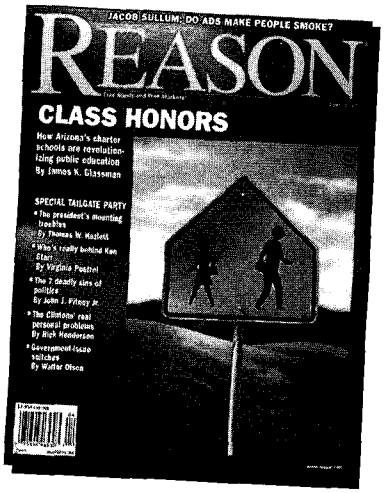
The health care debate is a striking example of what F.A. Hayek called the "fatal conceit": that statist ideas of rational planning can improve on the collective knowledge of thousands, as expressed through the marketplace. Perhaps health-obsessed lawmakers should study the Hippocratic Oath, which has long enjoined doctors to, "First, do no harm." ◆

REASON NEWS

■ We're pleased to announce that REASON had two of the six finalists for this year's National Magazine Award for Public Interest journalism: Jacob Sullum's "No Relief in Sight" (January 1997) and Michael Fumento's "Gulf Lore Syndrome" (March 1997). The NMAs are magazine journalism's top awards, the Oscars of the business.

■ Congratulations also go to Art Director Barb Burch and illustrator Mark Schofield, whose August/September 1997 cover illustration won the Bronze Award at the 3Dimensional Art Directors and Illustrators Award Show.

■ *Reason Online* (www.reason.com) continues to add new and updated material. In addition to such regular additions as Jacob Sullum's weekly column, the "Breaking Issues" feature offers source documents and articles, from REASON and elsewhere on such hot topics as cloning, tax reform, the Microsoft antitrust action, and (just added) Internet privacy. There is also a subsite (www.reason.com/owngood. html) devoted to Jacob's book, *For Your Own Good: The Anti-Smoking Crusade and the Tyranny of Public Health*, and other tobacco-related issues.


JACOB SULLUM: DO ADS MAKE PEOPLE SMOKE?
REASON
CLASS HONORS
How Arizona's charter schools are revolutionizing public education
By James K. Glassman
SPECIAL TAILGATE PARTY

Smoke Enders

Jacob Sullum's article "Cowboys, Camels, and Kids" (April) was an informative and rational look into how cigarette advertising influences children. Only 20 myself, I don't find it difficult remembering those wonder years. Where I grew up, most kids tried smoking a few times, and many made it a regular habit. Yet I believe cigarette advertising had little effect on the choices made by my peers.

A very powerful point indicating this, not found in Sullum's article, is the level of other drug use among children, especially marijuana. In Santa Cruz County, California, where I grew up, marijuana use was equal to or greater than cigarette smoking. This is without any multinational corporations attempting to "brainwash" our children with billions of dollars in advertisements.

When I was in high school, nearly all social activities were centered around drugs (including cigarettes and alcohol). So, kids did drugs to fit in, fitting in being the main concern of most teenagers. They could care less about the Marlboro Man or Joe Camel.

James Markey
Santa Cruz, CA

I found it disconcerting that Jacob Sullum focused on the evidence that advertising causes people to smoke without seriously considering whether the question is relevant to public policy.

It may be an interesting academic exercise to consider when and how advertising influences human behavior. It is, however, a violation of free speech to restrict any advertising on the basis of the value of the message it conveys or how that message may influence behavior.

It may be reasonable to restrict advertising based on its intrusion upon personal privacy or its imposition of aesthetically offensive stimuli in public areas or in private areas without the owner's consent. It may also be reasonable to restrict advertising when it is intentionally, explicitly, and objectively deceitful. It is not reasonable, however, to restrict advertising because it may persuade people to reach a conclusion that other people consider to be detrimental to the person who was persuaded.

Cigarette advertising consistently sends the message that smoking produces pleasure. Yet it is impossible to objectively determine whether smoking is indeed pleasurable for every person. I have never seen a cigarette advertisement explicitly stating that smoking is a healthy or an unhealthy practice.

More importantly, it would be a major violation of individual freedom to give government the authority to decide what behaviors should be allowed on the basis of the government's judgment of what produces pleasure.

What is at stake here is our freedom to lead our own lives as we see fit, even when others are certain, in their own minds, that we are hurting ourselves. If we lose the right to advocate smoking, we will next lose the right to advocate eating candy, and then the right to advocate watching football while sitting on a couch eating potato chips.

If you willingly give up the right to think for yourself on any issue, you will soon lose the right to think at all.

Richard Marliave
Oakland, CA

Jacob Sullum replies: I thank Mr. Markey and Mr. Marliave for their letters. Regarding marijuana and tobacco, two additional points come to mind:

1) Since we cannot stop teenagers from smoking marijuana, a drug that is entirely illegal, it is rather unrealistic to suppose that we can stop them from smoking tobacco. Yet some anti-smoking activists insist that "we should not tolerate *any* underage smoking," as if preventing adolescents from lighting up is simply a matter of having the right attitude.

2) The recent increase (since 1992) in teenage tobacco smoking has been accompanied by an increase in teenage marijuana smoking. Yet these kids have been more propagandized against tobacco *and* marijuana than any generation in U.S. history. Advertising can hardly explain these trends, but a backlash against "Just Say No" might.

I agree with Mr. Marliave that freedom of speech should not hinge on the outcome of the latest advertising study. Whatever the impact of tobacco advertising, we have to keep in mind the crucial distinction between persuasion and coercion—a point I tried to make toward the end of my article.

Nevertheless, the public has been told over and over again that people smoke because of advertising, and I think it's worth pointing out how meager the evidence for that claim is. If advertising were as powerful as its critics suggest—overriding free will in a manner analogous to physical force—it should be possible to document that effect.

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3415 S. Sepulveda Blvd., Suite 400
Los Angeles, CA 90034-6064

Starr Chamber

Virginia Postrel's editorial hit the nail on the head ("License to Grill," April). The man is hoist on his own liberal petard. The "Mondale law," enacted by demagoguing feminist sycophants, removed all normal criminal defenses for the accused (men) with respect to rape and sexual harassment allegations. It protected accusers (women) from any inquiry into their motives, sexual history, or record of false accusations. Clinton Democrats more recently endorsed and strengthened the provisions of this execrable bit of legal misandry. Consequently, when women accuse men of sexual assault or harassment, the presumption of innocence disappears, and the burden of proof devolves upon the accused.

The Men's Defense Association, of which I am president, regularly hears from men imprisoned on such charges who have no effective opportunity to defend themselves. There are literally thousands of them across the country. Unfortunately, they don't have Clinton's resources with which to escape the preordained punishments.

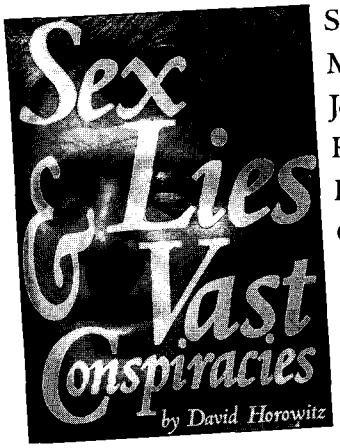
Richard F. Doyle
mensdefens@aol.com

Virginia Postrel's April editorial is by far the best explanation of the ins and outs of our independent counsel law I have read.

Tomas De Torquemada was one of history's first independent counsels. Authorized by the pope and by Ferdinand and Isabella in Spain, he was instrumental in the torture and death by immolation of more than 2,000 people. His charter was in many ways similar to that of today's independent counsel law.

Normally a state or local prosecutor is notified of a crime and then begins identifying potential perpetrators. He must use his resources economically and thus devotes his efforts to the more significant crimes. Yet an independent counsel is often in effect assigned a suspect to investigate rather than a crime to solve. With essentially unlimited resources he can keep investigating until he finally finds some "crime" committed by the suspect, regardless of its actual significance.

Using his unlimited resources against



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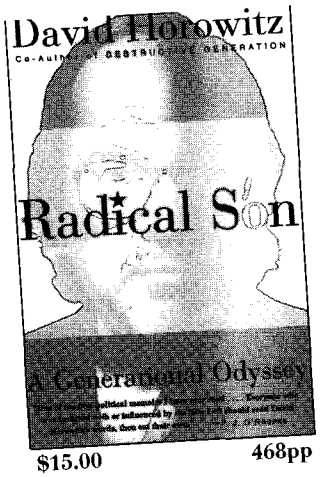

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SANFORD PINSKER
Partisan Review

a person who likely has limited resources of his own, the prosecutor steamrollers any sense of proportion as he pursues his target. This also was Torquemada's approach, though the results were far more terminal for the religious "perpetrators."

We should eliminate the independent counsel statute. Then pass a new law that provides specific circumstances under which Congress is compelled to impeach the attorney general. That will motivate future attorneys general to do their duty so as to preclude another attorney general like Janet Reno who has so badly politicized our Justice Department. Knowing they can be impeached for ignoring the need for apolitical investigation and prosecution of crimes will provide motivation to do their duty.

William Dale Allen Sr.
Placentia, CA

I completely agree with Ms. Postrel's contention that the independent counsel statute is a destructive tool and the result of its use borders dangerously on the tyrannical. However, I disagree with her opinion that Clinton does not deserve his current round of legal troubles.

Putting all rhetoric aside, Clinton's misdeeds amount to impeachable offenses, as grounds for impeachment were understood by the Framers of our republic. Even the first lady, who now stands by her man, relied heavily upon the wisdom of our founders when she was clamoring for Nixon's impeachment in 1974.

At the very least, it would be ambitious to initiate impeachment proceedings against Bill Clinton using a contemporary understanding of the high crimes and misdemeanors provision found in Article II, Section 4, of the U.S. Constitution.

This phrase, as we understand it, conjures images of the president engaged in felonious conduct punishable by a prison sentence. However, our founders did not intend to create such a threshold. According to legal scholar Charles L. Black, in his thoughtful 1974 survey, *Impeachment: A Handbook*, English history seems to establish with some clarity that the British did not understand the phrase "high crimes and misdemeanors" as denoting only common crimes, but in some sense saw it as including serious misconduct in office, whether or not punishable as crime in the ordinary courts.

Indeed, in their writings, the founders embraced a similar understanding. In No. 65 of *The Federalist*, Alexander Hamilton wrote that impeachment concerned "those offenses which proceed from the misconduct of public men, or, in other words, from the abuse or violation of some public trust." Even Hillary Clinton, while acting in her capacity as a staff member of the Nixon impeachment inquiry, concluded that high crimes and misdemeanors meant not a criminal offense but an injury to the state or system of government.

Under this traditional interpretation, Bill Clinton's illegal fund-raising activities, his unlawful use of FBI files for political purposes, and his countless examples of moral turpitude clearly fall within the scope of impeachable offenses.

The crisis in the White House does not begin with the independent counsel statute, as Ms. Postrel writes. It begins with a morally bankrupt president who thinks he's above the law. As such, he deserves everything he gets.

Andrew E. Andersen
Communications Consultant
Senate Republican Caucus
a.anderson@sen.ca.gov

Poor Bill Clinton? All-powerful Ken Starr? Come on. After a string of scandals —Whitewater, Travelgate, Filegate, campaign money laundering, Chinagate— Ken Starr was ready to give up. He hadn't laid a glove on Clinton. During that time nobody complained about his investigations. Then the president, who evidently enjoys skating on thin ice, fell through. Knowing full well he was being dogged by an IC, he opened himself up to charges of perjury, suborning perjury, and obstruction of justice. Likely Clinton will skate on those charges too.

But we're supposed to shudder at the all-powerful IC and feel sympathy for the man holding the most powerful and sensitive office in the world for being stupid enough to take up with an unstable, exteeny bopper blabbermouth? It's his private business? The president of the United States puts himself in a compromising position, subject to blackmail and ridicule, and it's his private business?

The IC slightly weakens the office of president. Whoever holds that position won't be able to (or won't risk trying to) get away with some illegal things he otherwise might try. I'm surprised that a libertarian magazine finds that distressing. I would assign an IC to every president upon his inauguration. Judging from the effectiveness of past ICs, it would be a largely symbolic gesture. But maybe it would help some of these fellows keep their pants on while acting as president of the United States.

John C. Glasgow II
jglas@gnt.net

Virginia Postrel replies: Mr. Andersen seems to confuse my editorial, which specifically concerned the Lewinsky affair, with a discussion of such matters as illegal fund raising and the unlawful use of FBI files. Those may or may not be impeachable offenses, legally or politically, but it's pretty clear to me that sexual activity between consenting adults, however morally revolting it may be in this case, is not the sort of thing the Constitution's Framers had in mind.

Mr. Glasgow's impassioned cry for unbounded prosecutorial power—to be unleashed on all presidents and, of necessity, on all those who choose to work with or know them, and to be limited not only to crimes but to such offenses as "tak[ing] up with an unstable, ex-teeny bopper blabbermouth"—is truly frightening. I can only refer him to Mr. Allen's letter and to the wise words the playwright Robert Bolt put in the mouth of Sir Thomas More: "I give the Devil benefit of law for my own safety's sake." That concept, not a defense of Bill Clinton's character, was the subject of my editorial.

Domestic Arguments

Since I doubt that REASON would give me the space to respond to all the mischaracterizations of my argument in Cathy Young's review of my book *Domestic Tranquility* ("Women on the Verge," April) I address only four.

I do not impatiently brush aside all dissident critiques of radical feminism,

but cite some approvingly as ably documented attacks and masterful analyses. It was not the purpose of these critiques to defend traditional women (nor did they try). I fault one critic who, while claiming to support traditionalism in some sense, rejects the concept of women's dependence on men for support and protection because she believes that domesticity cannot be a satisfactory story of an intelligent woman's life, an assertion that negates any support she might have given.

It was not necessary to my argument to develop the Siegfried legend any further than I did. If Young chooses to do so, she should explain that Siegfried married another woman while under a spell cast by his enemies. As he lay dying, mortally wounded by these enemies, the spell lifted, he was reunited with Brunhilde, and she then threw herself on his funeral pyre.

In *The Feminine Mystique*, Betty Friedan compared housewives living in the benignly conventional conditions of amiable civility prevailing in 1950s American homes to victims in Nazi concentration camps. I pointed out the absurdity of her analogy and then noted that her description of the housewife as a parasite, as less than fully human, and as one whose life was a waste of a human self resembled statements in *Mein Kampf* describing Jewish people. This is the extent of my comparison of the two books.

Finally, it is unconscionable to characterize my discussion of female circumcision as saying it is "just a slightly too draconian way" to curb female sexual assertiveness. I do discuss Hanny Lightfoot-Klein's informative book *Prisoners of Ritual: An Odyssey into Female Genital Circumcision in Africa.* My purpose is to suggest that the fact that some cultures felt so threatened by female sexual assertiveness that they would resort to such draconian measures to prevent it should give pause to those feminist sexual revolutionaries who promote such assertiveness as part of their sexual prescription.

Young expresses surprise that I rely on feminist writings, but feminists of all persuasions have done a lot of good work in analyzing many of the issues I deal with. I cite them extensively, for I am always open to all ideas, and I often find that writings, which initially seem foreign to what I believe, will, in fact, speak to me in some way. Certainly, this was the case with Andrea Dworkin's *Intercourse.*

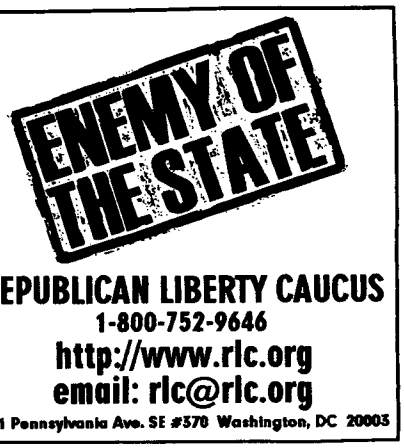
If Young, writing for a libertarian magazine, had been able to approach my work with the same openness, she might have found some things of worth. Libertarians might, for example, have been interested in my discussion of the important role the traditional bourgeois family plays in furthering the success of democratic capitalism by producing individuals fit for an entrepreneurial rather than a welfare-bureaucratic society. They might also find my testimony as one who willingly withdrew from the marketplace to be useful in opposing preferential treatment of women.

As I note in my book, such treatment is based on the premise that, absent discrimination, women would be represented equally with men at all levels within every workplace. If society accepted homemaking as a legitimate goal for women, then their disproportionate presence in workplaces would also be viewed as legitimate, rather than as a problem to be deplored and corrected.

Publication of Young's review confirms my statements that those who would defend anti-feminist traditionalism are like heretics fighting a regnant Inquisition and that a woman may need the courage of a heretic to become a homemaker. Young and this magazine have staked a position in the forefront of that Inquisition, a surprising place, one might think, for libertarians to be.

F. Carolyn Graglia
Austin, TX

Cathy Young replies: If my review of F. Carolyn Graglia's book is so full of "mischaracterizations," I am rather surprised that she would waste space quibbling over a throwaway line about the Siegfried legend (for the record, it's the jilted Brunhilde who instigates Siegfried's murder), or with my description of her attitude toward dissident critiques of radical feminism. (The complimentary words Graglia quotes are from the notes; in the body of the text, she focuses on the dissidents' failure to defend traditional women.) Meanwhile, she does not address my more fundamental charges that she misrepresents the opportunities available to



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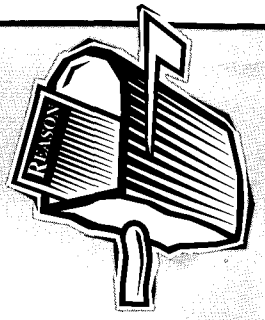

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women in the 1950s, or that she is no more tolerant toward "wrong" female choices than the feminists she excoriates.

Regarding female circumcision, readers may judge whether Graglia's own summary of her argument is very different from mine. If anything, my characterization was unduly benign; I didn't even mention her claim that mutilated Third World women, due to their capacity for submission, enjoy orgasmic bliss their intact Western sisters can only envy.

While I mentioned Graglia's use of discredited feminist research on the economics of divorce, I was not "surprised" by her reliance on feminist writings; I have long known that social conservatives who believe women are victimized by equality are prone to citing radical feminists who believe that "abstract equality" is another male plot. It's not necessarily a sign of open-mindedness, however, to quote the other side in support of one's dogma.

Libertarians hardly need Graglia to tell them that personal choices, including many women's temporary or permanent withdrawal from the marketplace, are a major factor in gender imbalances in the workforce (see, e.g., the Pacific Research Institute's 1995 report "Free Markets, Free Choices" by Katherine Post and Michael Lynch). Frankly, this argument goes over far better when it is not accompanied by handwringing over the fact that more women now make career and life choices similar to men's.

Finally, I agree that Betty Friedan's analogy between suburban housewives in the 1950s and Nazi concentration camp victims was indefensible (though Graglia also makes patently false charges against Friedan, accusing her, for instance, of an animus against sexual love). But to compare *The Feminine Mystique* to *Mein Kampf* is no less outrageous. Urging a group of people to change their way of life is not the same as urging their extermination; arguing that their lives are wasted on domesticity—however offensive to those who find such lives fulfilling—is not the same as arguing that they don't deserve to live. If there is anyone whose writings approach *Mein Kampf* in rabid vitriol against an entire group, it's Graglia's pet feminist Andrea Dworkin, writing about men.

By the way, has it occurred to Graglia that comparing a critical review of her book to the persecution of heretics by the Inquisition is no less grotesque than comparing housewifery to the Holocaust?

More Silence

Although I loved Michael Fumento's article on obesity and breast cancer ("Heavy Silence," April), I wonder if the obesity link isn't more indirect than direct: a consequence of poor lifestyle choices, poor health care, difficulty in reading mammograms, and a lower likelihood to have children who have been nursed over the long term. I admit that I do not know the nursing habits of obese women. Nor do I know if the studies Fumento cites takes those habits into account. Long-term nursing of an infant sharply reduces the likelihood that the mother will develop breast cancer.

Either way, the reality of nursing, like obesity, is not something you talk about in polite company. Nursing is natural. It's possible to nurse while working outside the home, but even if I had the business savvy of Bill Gates and Ted Turner combined, even with my Franklin Planner in one hand and Steven Covey's *Seven Habits of Highly Effective People* in the other, I could not run a *Fortune* 500 company with my son demanding to be fed every two hours. Maybe there's a woman in existence who can. Most of us are not her. We stay home, work at home, or find jobs that allow us time to perform the inglorious task of "pumping."

It is my understanding that the best way to avoid breast cancer is to develop healthy habits, get married, have a child or two, make what ever sacrifices needed to keep mother and child together for a the first few years, and nurse our children for a couple of years. Not exactly high on the feminist agenda, is it?

Kathryn J. Groening
Midland, MI

CORRECTION

In "Puff Daddies" (Citings, June), the name of Barney's Beanery owner Irwin Held was misspelled.

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Wiring the Gaps

By Adam Clayton Powell III

An article in the April 17 *Science* spawned a flurry of stories on evening newscasts and newspaper front pages describing a huge Internet gap between white and black Americans, with whites having access to (and using) the Internet far more than African Americans. The data on which the *Science* article was based, however, were far more interesting, and far more positive, than most of the stories suggested.

The report was based on Nielsen data from 1996, which in the dynamic world of online usage should be considered history (however interesting) rather than news. But even these data offered a number of surprises: African Americans were *more* likely to be on the Internet than whites once they reached a household income of $40,000. At this income level, blacks were also far more likely than whites to work with computers on the job (77 percent vs. 59 percent).

And when the data were collected in 1996, many more blacks were online than the media had reported. "Five million African Americans have used the Web in the United States as of January 1997," wrote researchers Donna Hoffman and Thomas Novak, "considerably more than the popular press estimate of one million."

Harris Survey Unit data collected last winter and published in the April/May issue of *The Public Perspective* further confirm that racial and ethnic gaps in Internet usage are narrowing: The racial composition of U.S. Web users was 75 percent white and 19 percent African American and Latino, which author David Birdsell described as "statistically indistinguishable from Census data on the general population."

The Web has grown from 13 million U.S. adult users in the fall of 1995 to more than 58 million, which means that 30 percent of American adults are now online. And the much-ballyhooed online "gender gap" is closing as well: Birdsell notes that while men outnumbered women in cyberspace by a 3-to-1 ratio in September 1995, by last winter 44 percent of active Web users were women.

Just Say Newt

By Michael W. Lynch

"The time has come for the war on drugs to enter a new, winnable stage," wrote House Speaker Newt Gingrich in an April 30 *Washington Times* op-ed. You may think Gingrich has again written a work of fiction, shifting genres from sci-fi to horror. But the speaker is serious: He is backing 12 bills that would increase the power of the federal government, all in the name of protecting Americans from themselves.

The Democrats may have won the spin wars on such issues as health care, child care, education, the environment, tobacco, and even taxes, but the Republicans dominate the drug war. The GOP's plan for total victory hinges on deterring demand, suppressing supply, and tracking the financial dealings of well-heeled drug dealers.

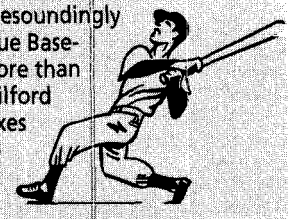
Balance Sheet

By Rick Henderson

ASSETS

△ **▲ Nature's Course?** Hopeful medical news has bio-Luddites on the run. The massive popularity of Viagra shows that men no longer consider impotence a "natural" condition they must accept. And the tumor-shrinking cancer treatment discovered by Boston physician Judah Folkman suggests that biotech may conquer the disease we fear most.

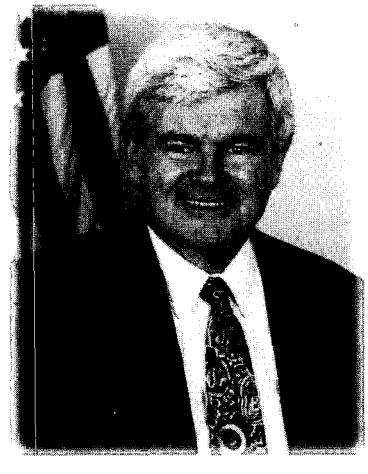
△ **▲ Welfare Relief.** North Carolinians resoundingly say no to tax handouts for Major League Baseball. (See "Squeeze Play," page 74.) More than 60 percent of voters in Forsyth and Guilford Counties reject an initiative to raise taxes for a $210 million stadium intended to lure the struggling Minnesota Twins to the Piedmont Triad.



△ **▲ Cash Rebates.** The Congressional Budget Office estimates the 1998 budget surplus will be $68 billion, up from a projected $5 billion in April. Perennial presidential hopeful Jack Kemp suggests several simple, nondistortionary ways to give that money back, including: Repeal the Bush/Clinton tax hikes; increase the standard deduction for individual income taxes; and raise the income people can earn before they're kicked from the 15 percent into the 28 percent tax bracket.

△ **▲ Honor Roll.** Gov. Pete Wilson signs a bill jump-starting California's charter schools. (See "Class Acts," April.) The bill will increase the number of charters from 100 to 250 this fall, adding up to 100 additional charter schools each succeeding year. It also lets parents or teachers petition to convert existing public schools into charter facilities.

To reduce demand, Rep. Rob Portman (R-Ohio) proposes "The Drug-Free Congressional Leadership Resolution," "The Drug-Free Communities Act," and "The Drug-Free Workplaces Act." The three bills would double federal spending for local drug enforcement and provide federal money for "small and medium size businesses to implement drug-free workplace programs."



To attack the supply of drugs, "The Drug-Free Border Act" would double the Border Patrol by 2002, and "The Life-In-Prison for Speed Trafficking Act" would increase penalties for selling methamphetamine.

To keep tabs on drug kingpins, "The Drug-Free Money Laundering Act of 1998" would further erode the financial privacy of law-abiding Americans by granting federal law enforcement officials increased access to domestic and off-shore bank accounts.

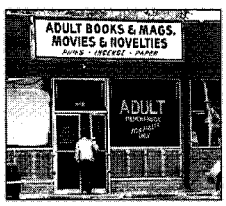
Finally, Rep. Mike Pappas (R-N.J.) has taken a bold step by introducing "The Drug-Free Youth Resolution,"

▼ Safe Harbors? While you contemplate summer vacation, the Occupational Safety and Health Administration works overtime. OSHA wants to require every convenience store to install bullet-proof glass and have at least two clerks on the clock during late shifts. It also plans to make contractors increase the number of porta-potties on construction sites.

▼ Silicon Ceiling. Asserting that lightly regulated high-tech companies treat women more shabbily than men, Rep. Connie Morella (R-Md.), chair of the House technology subcommittee, calls for a federal Commission on Women in Science, Engineering, and Technology Development. *Science* says the commission could call for new, gender-based regulations for tech firms.

▼ Pig Feed. House Speaker Newt Gingrich personally guarantees a corporate welfare hog stays at the tax trough. Gingrich restores the $600 million annual ethanol subsidy through 2007. Most of the money goes to Archer Daniels Midland, a bipartisan source of campaign cash.

▼ Dixie Dregs. Alabama's legislature unanimously enacts the nation's toughest restrictions on adult entertainment. One provision would designate any store that sells, rents, or distributes materials that depict nudity an "adult" business subject to advertising and promotional restrictions. Cinemas may not be able to post billboards for *Titanic*; bookstores may have to keep collections of Michaelangelo's work under the counter; and newsstands may have to shrinkwrap the June issue of REASON.



LIABILITIES

which would put the U.S. House of Representatives on record as opposing "the distribution, sale, and use of illegal drugs by our children."

So how will the Republicans know when they've won? When they've reduced "nationwide drug use by more than half by 2002," Gingrich wrote.

Profs' Proposals

By Nick Gillespie

With over 30,000 members, the Modern Language Association is one of the largest academic organizations in the world, filling its ranks primarily with professors of literature working at U.S. colleges and universities. Founded in 1883 to promote "the study and teaching of language and literature," the MLA interprets that charter broadly, as can be seen from the resolutions being considered by the group's membership. For a resolution to be put to a vote, a member need only gather between 10 and 25 signatures from active members (depending on the time of year); in recent years, says an MLA official, total ballots cast have usually numbered between 5,000 and 10,000, depending on the "interest level" of the members.

Members will vote on four resolutions this spring including one that states "Whereas higher education seeks to promote a vital intellectual community that represents diverse points of view and diverse experiences...Be it resolved that members of the Modern Language Association support the inclusion of disability as a value in academic hiring."

"Whereas, despite a falling crime rate," states another of the resolutions, "a racially structured system of forced labor is developing in the U.S. prison system; inmates perform 'outsourced' work often at less than the minimum wage; impoverished white working-class rural areas become economically dependent upon the incarcerations of largely African American, Latino, and Native American populations; and this development is justified by a rhetoric of 'getting tough on crime,' although in reality it reveals that the capitalist system cannot provide full employment at a living wage and that it promotes a politics of divide and conquer.... Whereas a recent Rand study shows that more money will soon be spent nationally on prisons than on education, and the *New York Times* (28 Sep. 1997) reports that in California almost the exact amount of funding lost to higher education (1990–97) has been expended on prisons; and...workfare has driven thousands of students—disproportionately students of color and single parents—out of bachelor's degree programs and into dead-ended, poorly compensated employment; and Whereas standardized tests contribute to racial segregation by frequently tracking low-income students, disproportionately of color, into vocational programs and community colleges and higher income students, predominantly white, into 'flagship' campuses; Be it resolved that the MLA urge its members to (1) speak out against the diversion of public funds▶

SOURCES

"There is no specific 'Crack Baby' syndrome....Exposing fetuses to cocaine may or may not have lasting consequences, but current research demonstrates that by the time the child reaches age five, the effect of the disastrous social situation that [the children of] many crack cocaine users share with other economically deprived children washes out any measurable effect of the cocaine itself on [his] school performance."
—"What Happened to the 'Crack Babies'?," by Gary A. Emmett, in the February 1998 *Drug Policy Analysis Bulletin*. Edited by UCLA's Mark A.R. Kleiman, the newsletter features moderate drug policy scholars who are willing to go where the data lead. The February issue also includes articles distinguishing seven different versions of the "gateway drug" hypothesis and discussing prohibition's disproportionate impact on the poor. Back issues of the bulletin, published by the Federation of American Scientists, are available at www.fas.org/drugs.

Fedstats at **www.fedstats.gov** offers one-stop shopping for government statistics; includes links and compilations to dozens of federal sites and databases.

Order without design marks not only the economic and cultural marketplace but also many other real-life phenomena, to the increasing fascination of natural and social scientists. The StarLogo programmable modeling environment, based on the Logo programming language, is an MIT product **"for exploring the workings of decentralized systems—systems that are organized without an organizer, coordinated without a coordinator,"** including "bird flocks, traffic jams, ant colonies, and market economies." It runs on Macintosh computers and can be downloaded at **www.media.mit.edu/~starlogo.**

BRICKBATS

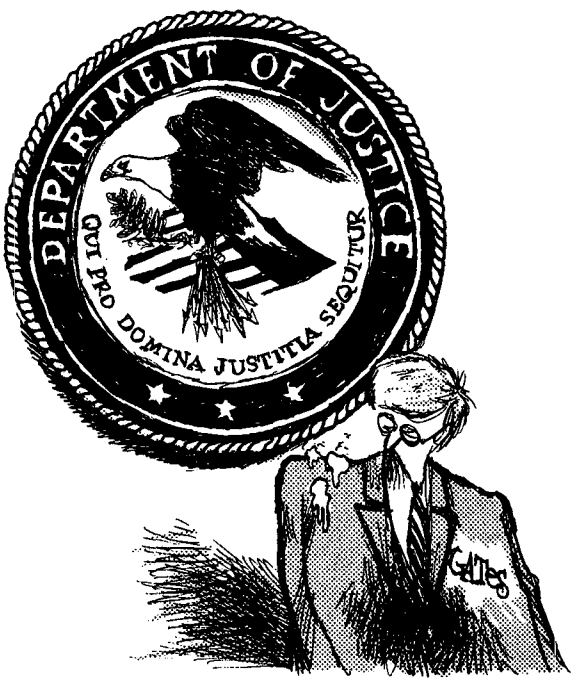
♦ You think your taxes are high? Ohio resident Lorie Marling opened her mail one day to find that she owed the Internal Revenue Service $270 billion. But not to worry, the agency assured her, she didn't have to pay the bill all at once. She could choose a plan that would let her pay four installments of $90 billion each. Fortunately, when she checked with the IRS, she found that the notice was in error.

♦ Jane Fonda had to apologize to her adopted home state of Georgia. She had told a United Nations group that parts of the state resembled a Third World country. "In the northern part of Georgia, children are starving to death," said Fonda. "People live in tar-paper shacks with no indoor plumbing, and so forth." She later said she was sorry for these remarks, but I wouldn't advise her to go rafting with Burt Reynolds anytime soon.

♦ Also in Georgia, a state lawmaker has proposed a measure to deal with the mounting problem of supermarket bag boys who lick their fingers to separate bags. The bill would force stores to place "a device designed to wet the fingers" wherever groceries are bagged.

♦ Waukesha, Wisconsin, native Brenda Duncan was mad at the anti-abortion activists constantly protesting outside the home she shares with her physician husband. So she mooned them. Now she may face charges of disorderly conduct and lewd conduct.

Scott Stantis



from education to prisons and expose the failures of the current socioeconomic system, rather than rampant 'criminality,' as the reason for the trend toward mass incarceration; (2) support affirmative action, urge limited use of standardized tests as admissions criteria, and support the continuation of developmental programs; (3) call for government-supported programs guaranteeing that no student be forced out of college to perform workfare."

Ballots will be counted after June 1, and results will be announced sometime afterward.

Milk Money

By Brian J. Taylor

California is the number-one dairy state in the nation, having wrested that title from Wisconsin in 1996. Its annual 26 billion pounds of milk constitutes 16 percent of the nation's supply. California also has the largest surplus of milk and dairy products of any state.

With such bountiful supply, you might think Californians enjoy relatively low milk prices. Wrong. California boasts the highest milk prices in the continental United States. Milk drinkers in neighboring Oregon, Arizona, and Nevada typically pay $1.00 less per gallon than do Californians.

California consumers pay $632 million more per year for their milk then residents of nearby states, reports Mad About Milk (www.madaboutmilk.org), a coalition of milk producers, senior citizens, taxpayer advocates, and consumer groups fighting the powerful state dairy lobby. MAM blames old-fashioned trade protectionism for inflating milk prices. Since July 1997, for instance, Golden State milk processors have been required to pay a tariff (called a "pool obligation") on milk they buy from out-of-state dairy farms, effectively discouraging milk imports. California consumers also suffer from the state's "mandatory mark-up" law, which bars retailers from selling milk at a discount or as a "loss leader."

To justify the higher prices, the California Department of Food and Agriculture asserts that its regulations—which require producers to replace the fat removed from 1 percent and 2 percent fat milk with calcium and protein—make milk sold in the state healthier than the U.S. Department of Agriculture requires. But these standards serve as an effective ban on "natural" milk (nonfat milk that doesn't contain artificial additives) brought in from the other 49 states. And largely as a result of higher prices, MAM argues, Californians con-

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The FX Files

Summer is the cruelest time: Aliens invade, monsters stalk, comets crash, the world ends with one bang after another. Such are the hard-to-resist themes of hot-weather movies, whose computer-generated effects are more eye-popping each year. This season's digitized spectacles include mammoth tidal waves, toy warfare, and a 20-story version of Godzilla, seen at left on a summer stroll.

Who's most frightened by such films? Turns out it's the finger-wagging critical elite, which is left trembling by them. At season's start, *The New York Times* gathered expert opinion about how dangerous digital special effects really are. They're anti-human, the experts charged: numbing, pummeling, mind-colonizing acts of "technological pornography."

Are they? This censorious expert class, ever with us, gags on cultural pleasure. Over the years it's condemned theater, the novel, the waltz, jazz, the tango, movies, comics, rock, etc. Now, Godzilla. In fact, movie effects masters stand in a long line of magicians and wonder workers. Their films are a modern circus coming to town each summer, complete with sideshow and derring-do. Complete, as well, with a town parson sternly disapproving, and wishing bleakly for winter.

—Charles Paul Freund

sume 25 percent less milk per capita than residents of neighboring states, negating the intended effects of requiring additional nutrients.

This conflict is less about nutrition than choice. Says John Vetne, a Massachusetts-based attorney who represents MAM-member milk processors in Arizona and California, "The government of California has decided its consumers are too stupid to choose their own milk."

Piece of the Pie

By Michael W. Lynch

On an April evening the Charles Schwab branch near my office, which is typically locked and shuttered by the time I head home, was full of people. The discount brokerage was keeping its doors open later than usual to offer investment advice to an underdeveloped market niche: black investors.

Armed with a survey showing that middle-income blacks are less likely than whites to invest in stocks (57 percent of black Americans who earn more than $50,000 a year invest, compared with 81 percent of whites), Schwab has teamed up with the Chicago-based Ariel Mutual Funds to promote securities investing among African Americans.

The Ariel/Schwab survey shows that blacks are less likely than whites with similar incomes to be knowledgeable about investment offerings and less likely to feel they know enough "to make good investment decisions" on their own. The firms are working to close this gap with a national marketing campaign in newspapers, on radio stations, and on Web pages popular with black audiences.

It's no secret that black Americans, even when earning as much as whites, have accumulated far less wealth. Census data show that African Americans typically possess only one-third the assets of whites with similar incomes. This gap likely results from three factors: Blacks have less inherited wealth, don't save as much, and get poorer returns on the money they do save.

For instance, the Ariel/Schwab survey found that blacks tended to save less and to place their investments in conservative vehicles such as real estate, which resulted in a much lower accumulation of retirement wealth than whites ($42,000 to $88,000). In at least one area, however, there was no disparity: Roughly one-third of blacks and whites expect Social Security won't be around when they retire.

This makes the Ariel/Schwab effort to bring the bull market to black Americans even more important. Says Mellody Hobson, Ariel's senior vice president for marketing, "Our mission is to make the stock market a subject of dinner conversation in every black home in America."

Heavy Baggage

By Brian Doherty

Airlines don't like your carry-on bags. Too many of them can clog overhead bins and sometimes hurt people if bin doors fly open unexpectedly. Carry-on bags are known to injure ▶

BRICKBATS

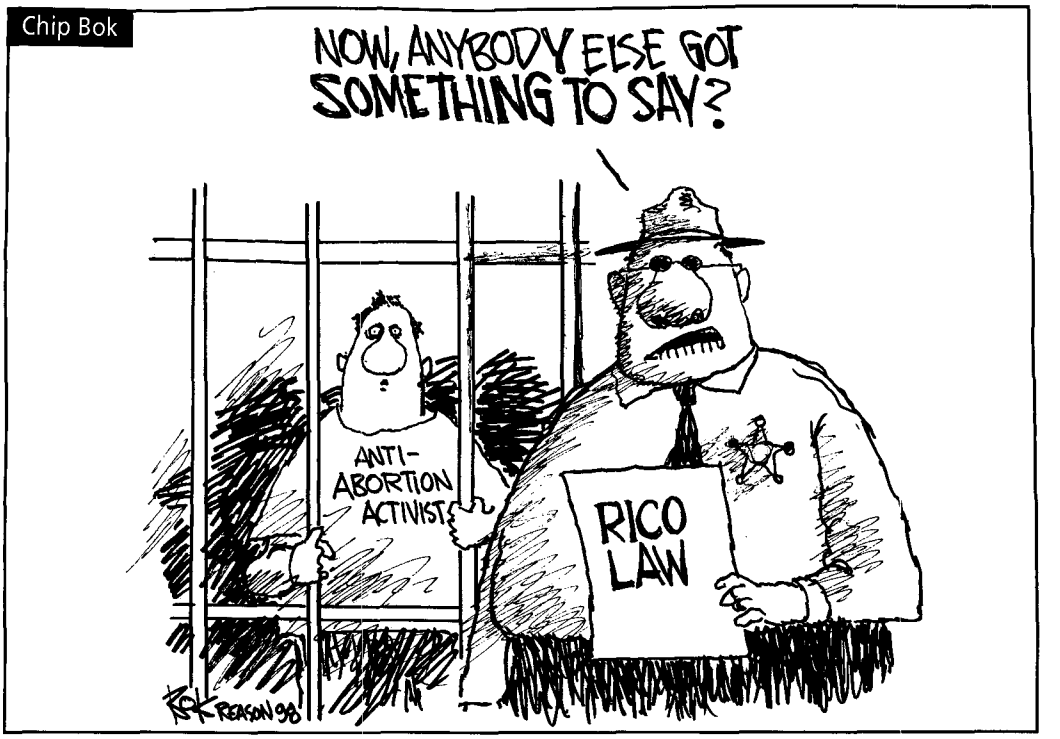
◆ Copperhill, Tennessee, may get a chance to find out if no government is the best government. The mayor, the vice mayor, the police chief and two of his three officers, and the former city recorder in this town of 500 were all arrested on various corruption charges. Among other things, the defendants are accused of fixing speeding tickets and harassing a pool-hall operator. The mayor got in trouble for allegedly giving her husband's firm a wastewater treatment contract without soliciting other bids.

◆ Classmates didn't believe Chris Postalwait when the junior high school student told them that railroad spikes were more than two feet long. So he brought one to school one day to show them. But officials in the Charleston, West Virginia, school found the piece of metal in his locker, and they suspended him for possession of a deadly weapon.

◆ A reception for the prime minister of Turkey was held in a dining room of Washington's Willard International Hotel. Secret Service agents were there to guard the assembled dignitaries. In an adjoining room diners were watching a dinner theater murder mystery. No one had told the Secret Service. So when a gun was fired in the play, agents stormed into the room, grabbed actress Barbara Fox, and shouted, "Drop that gun, ma'am!"

—Charles Oliver

Chip Bok



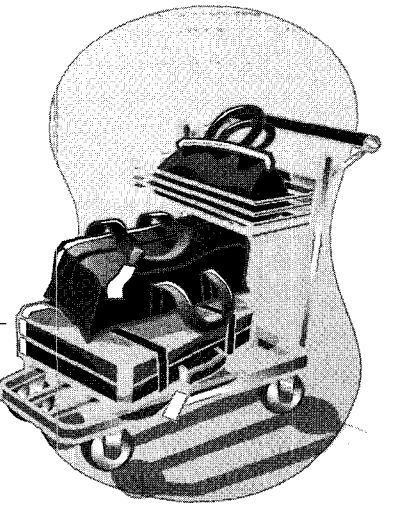
about 4,500 people a year worldwide.

But airlines know you like carry-on bags—at least your own. Seasoned travelers realize that the difference between being able to walk off a plane with all your belongings and having to pick them up at baggage claim can amount to a half-hour of your life every time you take a trip.

A few airlines would like to enforce a one-carry-on-per-passenger rule. But the first one that did so would place itself at a disadvantage relative to the other carriers that allowed their patrons to carry two items (or more) on board.

Airlines do understand, however, how to impose an unpleasant burden on their passengers and avoid being blamed: Ask the government to *make* them do it. Airlines fault the Federal Aviation Administration for requiring photo ID before a passenger can board a plane, for instance, although the FAA swears such identification isn't required. (See "Gonna Fly Now?," Citings, March 1997.)

Several airlines and the International Cabin Crew Association are lobbying national governments to pass uniform carry-on regulations. The ICCA wants a strict one-bag limit on all flights worldwide. American Airlines and two of its unions are lobbying for a two-bags-only rule even though American—and other airlines—already impose such limits on crowded flights. Consumer choice and competition make it tough for individual airlines to impose strict, unconditional carry-on rules, unless the government steps in. The ICCA acknowledges as much on its Web page (http://ourworld.compuserve.com/homepages/ICCA_egham): "Because of the possible commercial impact it would have on any airline which tried alone to enforce" baggage limits, "no airline is prepared to take the step."



Smoked Out

By Nick Gillespie

On January 1, California's statewide ban on smoking in bars went into effect. The first survey of the ban's effect on business has produced some expected—and a few unexpected—results. Among the former: Based on interviews with 300 owners randomly chosen from among the Golden State's 7,216 establishments, bar business has declined by an average of more than 26 percent; about 60 percent of all

bars reported losing business. Among the latter: About half of respondents reported an increase in arguments between waiters and customers (attributed to smaller tips) and among customers themselves.

The survey, conducted earlier this year by KPMG Peat Marwick for the American Beverage Institute, a trade association of restaurant and bar owners that opposed the ban, also found that about 30 percent of owners had laid off workers as a result of weak business and that about 25 percent of patrons simply ignore the ban and light up anyway.

Anti-smoking activists had predictable reactions to the study. In a *Los Angeles Times* story, U.C.–San Francisco researcher Stanton Glantz called the study "a standard drill that the tobacco industry routinely does," even though the ABI says it received no tobacco funding. Suggesting that the information obtained from bar owners has little value, Cynthia Hallet of the Berkeley-based Americans for Nonsmokers' Rights questioned the survey's validity. She told the *Times* the study was no good because "they are not looking at hard data," such as sales tax receipts.

DATA

Team Colors

By Michael W. Lynch and Rick Henderson

When President Clinton participated in ESPN's town meeting on race and sports in Houston on April 14, he repeated the widely held perception that professional sports franchises are slow to bring African Americans and Latinos into ownership and management. The president hinted that, if practices didn't change, the heavy hand of civil rights enforcement may someday bear down on franchise owners.

Comparing the racial and ethnic makeups of team rosters to those who operate franchises strongly suggests that discrimination exists. But the way in which government bean counters measure such "imbalances" would actually make front offices seem like stellar examples of compliance with civil rights laws. "Federal affirmative action policies state that the workplace should reflect the percentage of the people in the racial group in the population," notes the most recent "Racial Report Card" prepared by Northeastern University's Center for the Study of Sport in Society. Using such quotas, sports organizations do fine: Their managers, coaches, and professional staff look a lot like America. It's the rosters that are out of whack.

Racial and Ethnic Composition (%)

		White	Black	Hispanic	Other
TOTAL U.S. POPULATION		**73**	**12**	**11**	**4**
NBA	Players	20	79	0	0
	General managers	72	28	0	0
	Coaches	67	33	0	0
	Staff	77	17	2	3
NFL	Players	31	66	1	0
	General managers	83	17	0	0
	Coaches	75	24	1	0
	Staff	80	15	3	2
MLB	Players	58	17	24	0
	General managers	97	3	0	0
	Coaches	76	14	10	0
	Staff	72	18	9	0

A Tank of Trouble

By Michael W. Lynch

A large reservoir of ill-will has built up in response to a 1992 federal mandate that decreased the maximum water-holding capacity of new household toilets from 3.5 gallons to a mere 1.6. The problem: Completing the task often takes 3 gallons or more.

"Let's get the government out of our bathrooms," says Rep. Joe Knollenberg (R-Mich.), who is sponsoring a bill to flush the federal mandate. Soon after the 1992 law passed, Knollenberg says his constituents started complaining that their new toilets weren't up to the job. He got

a sense of the problem's scope when a plumber told him of a developing black market in contraband commodes. After it was featured on a couple of radio talk shows, the issue burgeoned.

Just ask humorist Dave Barry. After devoting a column to low-flow toilets in July 1997, he was deluged with letters, "some far more detailed than I would have liked," he wrote in a follow-up piece. He also got a call from a contractors' associa- ▶

QUOTE

"Scholars today are unwilling to take on the problem of colleagues who use their credentials to write pseudo-scholarship that is eagerly snapped up by the conservative right wing. Examples? *The Bell Curve*, of course—no one with credentials in genetics or educational psychology takes that book seriously, yet because the remaining author and others associated with the book have tenured positions ...it has the imprimatur of the academy....

A second example would be English professor Elaine Showalter's book *Hystories*, which asserts that Gulf War Syndrome and chronic fatigue syndrome are not real diseases....

My third example comes from economics, where radical no-government libertarians have captured the public limelight in policy. Claiming to use neoclassical economic theory, they in fact derive their theories from the classical economists....

In a world where there are no rules of scholarship or journalism or evidence, where everything is opinion and all opinions are alike, the market wins. And the market is very, very conservative."

—Mary Schweitzer, associate professor of history, Villanova University, in a letter to the editor of *The Chronicle of Higher Education*, April 17, 1998.

tion eager to demonstrate the efficiency of a brand new 1.6 gallon model. Barry purchased the toilet and couldn't be happier. "If there's [something it] can't handle in one flush, I have not personal knowledge of it," he wrote.

So has the columnist been bought off? "They ought to repeal their dumb-ass law," he says. "The federal government should have nothing to do with toilet sizes. Nothing. Zero. Ever."

Rigging the Test

By Michael W. Lynch

It's a familiar phenomenon among recreational carpenters: Miss the nail, hit the thumb, blame the hammer. It's this same blame-the-tool mentality that prompted the U.S. Department of Education's Office of Civil Rights to bully the Educational Testing Service (ETS) and the College Board into changing the Preliminary Scholastic Assessment Test (PSAT) so that girls' scores would improve.

The PSAT is used to determine the finalists for the prestigious National Merit Scholarships, which distributed $28 million in scholarships to 7,400 students last year. The problem, civil rights enforcers say, is that boys outperform girls on the test, producing a gender imbalance among National Merit Scholars. In 1997, for example, only 44 percent of scholarship recipients were girls. Equity activists and the OCR argued that adding a writing section to accompany the math and verbal sections would give girls a chance to even up the scores.

While the ETS and College Board went along with the wishes of the feds, an ETS study released last May (www.ets.org) suggests that nothing short of eliminating the test and drawing finalists by random lot is likely to produce a 50/50 gender split. The "ETS Gender Study" documented what researchers have long known: While the average (mean) performance of girls and boys is quite similar, there is greater variance in the scores of boys—in other words, boys are more likely than girls to be very strong or very weak academic performers.

For instance, there are five boys for every four girls in the top 10 percent and bottom 10 percent of the test distribution, and the gender split becomes more exaggerated as you move further up and down the scale. Since National Merit Scholarship recipients are among the top 1 percent of all test takers, it's not surprising that more boys than girls win the scholarships.

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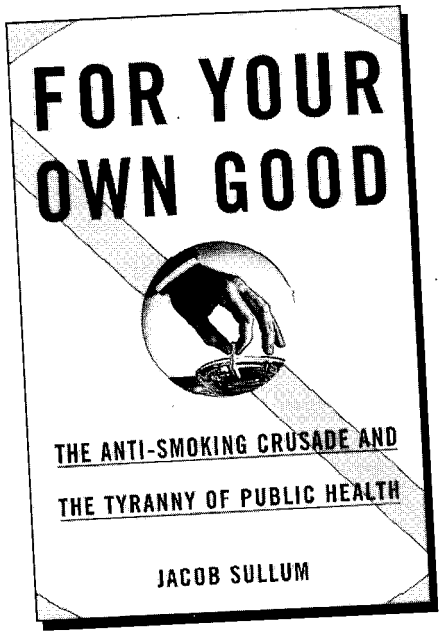
"I'd walk a mile for this book."*



In ***For Your Own Good***, award-winning journalist Jacob Sullum examines the major themes of the anti-smoking movement, showing that tobacco's contemporary opponents echo complaints first expressed centuries ago. Today, under the banner of "public health," they say the government has a right and an obligation to eliminate tobacco consumption once and for all. Sullum argues that such a use of state power is illegitimate and dangerous, threatening the freedom of anyone who dares to trade longevity for pleasure.

* "*For Your Own Good* is one breath of fresh air that the anti-tobacco puritans will hate. Jacob Sullum has written a lucid and mordant exposé of their neurotic agenda that is sure to make him the hero of smokers and our liberty-loving allies."

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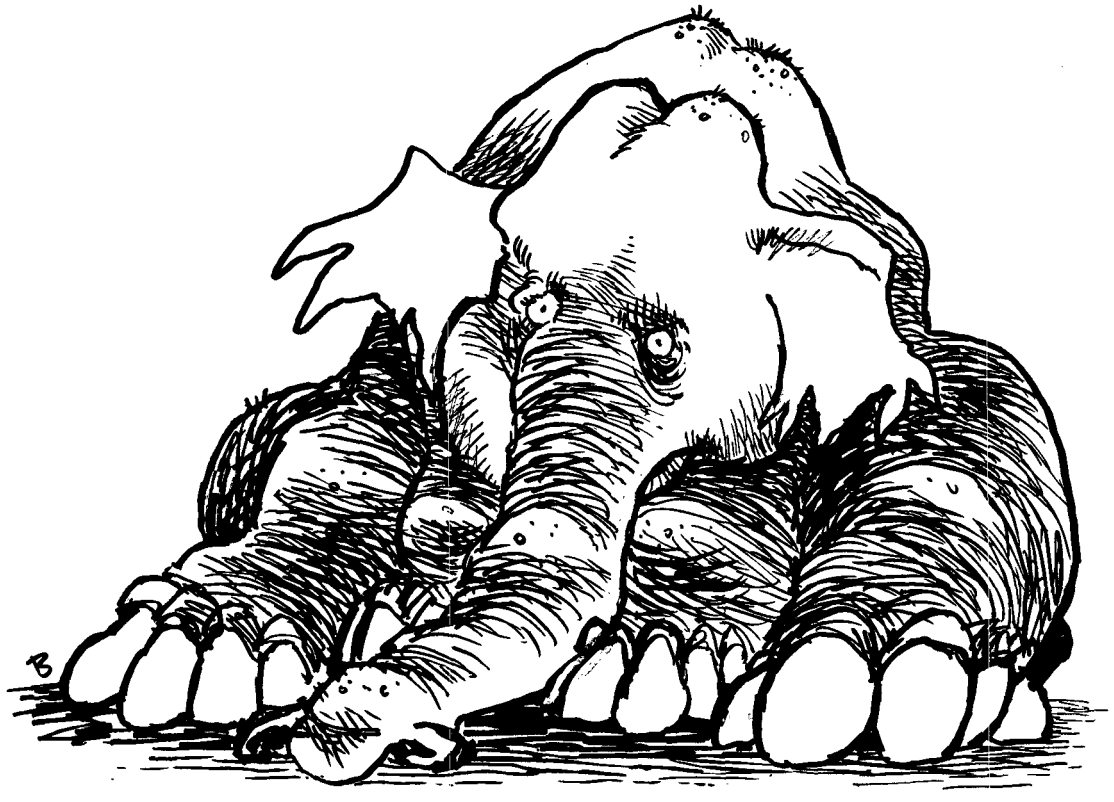
Not-So-Radical Republicans

Why the GOP budget revolution failed—and how it might succeed

By Stephen Moore



CHIP BOK

Late last year at a budget strategy session in his office on Capitol Hill, House Budget Committee Chairman John Kasich (R-Ohio) held a briefing for a handful of small-government types on the year's upcoming budget fight. I asked Kasich why Republicans had abandoned their agenda of terminating hundreds of useless federal programs. He cupped his hands behind his head, kicked his feet up on his desk, and declared: "You just don't get it. The jig is up around here when it comes to cutting the budget."

Every jaw in the room visibly dropped. We were stunned by this devastatingly frank declaration of surrender—especially coming from Kasich, the GOP's eternal optimist and the one man

on Capitol Hill during the last three years most single-mindedly dedicated to downsizing our $1.75 trillion federal enterprise. That this budget hawk had so clearly lost faith that his Republican brethren would actually cut spending was a depressing and dramatic sign that the GOP's budget revolution was over.

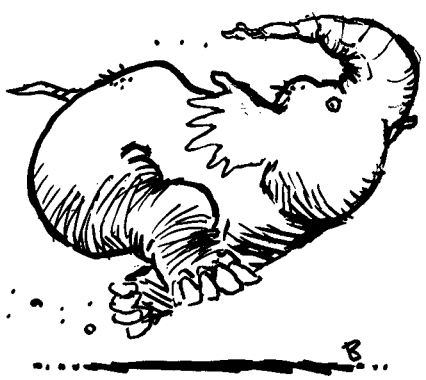
We shouldn't have been so shocked. Kasich had merely jolted us with the obvious truth. As the 105th Congress winds down, the budget is bulkier than ever before. This spring, the Senate Republicans approved a budget that calls for spending and tax cuts that are, in the words of a disgusted Rep. David McIntosh of Indiana, "anemic and an embarrassment." If approved, the federal budget will be some $300 billion higher than when the GOP took over the reins of Congress in January 1995. Adjusted for inflation, the four-year spending total of $7.5 trillion for 1998–2002 is more money than America spent to fight both World Wars, the Civil War, and the Revolutionary War. In fact, in today's dollars, it is more money than the U.S. government spent on everything from 1800 to 1960.

This story is eerily familiar. In his masterful 1985 critique of the Reagan administration's failure to cut the budget, *The Triumph of Politics*, former Office of Management and Budget Director David Stockman complained that the Reagan revolution amounted to "the clearest test of doctrine ever likely to occur in a democracy like our own" and that "the anti-statist position was utterly repudiated by the forces of the politicians—Republican and Democrat alike." Stockman glumly concluded that, by 1984, "the Reagan White House was nearly bereft of any consistent anti-spending policy principles."

And so it is in 1998 with the Republican Congress. Only a few years after the November 1994 election that swept Republicans into power on Capitol Hill, the Newt Gingrich–led budget revolution on Capitol Hill is a shambles. Fiscal conservatives have been thoroughly trounced—again. Today there is no strategy and no will power to cut *anything* out of the budget: not maple syrup research grants, not Jimmy Carter's home heating subsidies, not military funding to build skating rinks in Alaska, not taxpayer handouts to *Fortune* 500 companies. Nothing.

This duplication of the failed Reagan assault on the budget 15 years earlier raises two questions: Why won't Republicans—who continually advertise themselves as the party of smaller and smarter government—actually cut the budget? And have fiscal conservatives and libertarians been entirely naive in ever expecting them to?

The short answer to the second query is yes, and for reasons that relate to the first one. The dissipation of the Reagan "revolution" and its more recent analogue underscores basic insights of public choice economics: that government is predisposed to grow rather than shrink; that politicians, regardless of ideological bent, have strong incentives to spend tax dollars and to maintain or expand the power that spending confers; and that fundamental reform must ultimately come from deep-seated institutional change, not merely a switch in legislators. Add to that two other ingredients—a healthy economy that automatically generates enough revenue to balance the budget, thus removing the spur for serious cuts, and the fact that most congressional Republicans have never been committed to limited government—and the reasons for the GOP loss of nerve become clear.



Before exploring how and why the Republican budget revolution drifted off course so wildly and so quickly, it's only fair to acknowledge some impressive accomplishments made in the immediate aftermath of the electrifying election results of November 1994. Consider, for instance, the 1995 Freedom to Farm bill, which promises to end most crop payments by 2002. Though the law is far from perfect (and the jury is still out on whether subsidies will actually expire when the appointed time arrives), it allows farmers to produce for the market, not for the government.

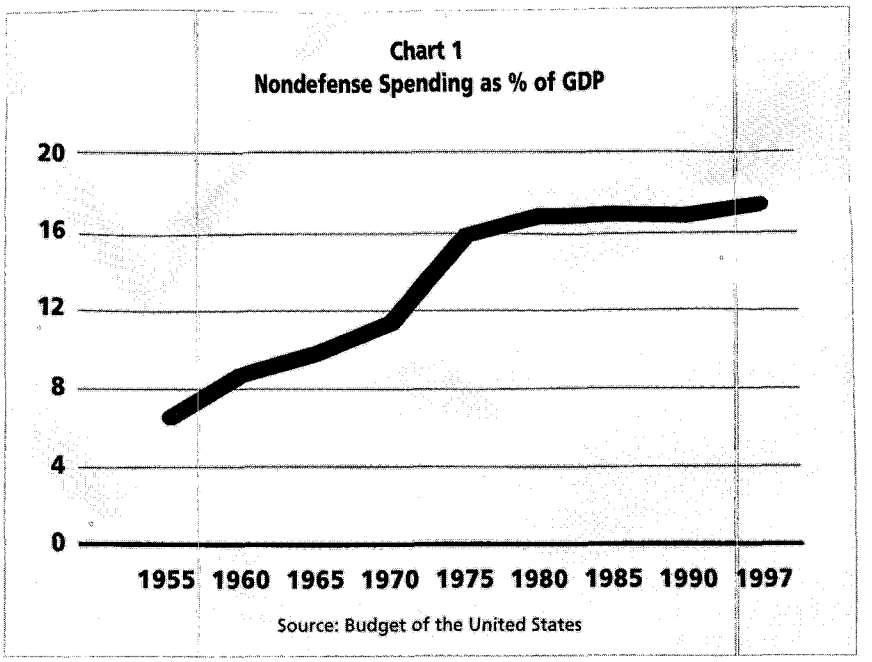
Similarly, the 1996 welfare reform bill was a great victory for limited government. Despite its technical flaws and the subsequent restoration of some benefits, that bill reversed 30 years of federal welfare expansion. It changed the open-ended nature of welfare payments by requiring work and by devolving many welfare responsibilities to the states. We've already seen a 30 percent to 40 percent decline in welfare caseloads in many states. This bill was a watershed for another reason, too: For the first time in half a century, the left was forced to concede that a massive government undertaking—in this case, the $5 trillion Great Society welfare state—had failed.

But the most heralded, and improbable, fiscal accomplishment of the GOP Congress has been the balanced budget. Uncle Sam could end 1998 with a budget surplus of $50 billion or more. That will mark the first time since Lyndon Johnson's presidency that the budget has not been in the red. It's safe to say that the surplus would not have arrived had it not been for the GOP's unwavering crusade for an end to deficit spending. Arguably, Newt Gingrich's finest hour as speaker came in March 1995, when he rallied the entire Republican House caucus behind the idea of eliminating the deficit within seven years. Skeptics said it could never be done, and in a sense they were right: Congress didn't balance the budget in seven years—it did so in three. Clinton hogs the credit for the balanced budget, but the real turning point in the fiscal improvement came with the 1994 elections. When the Republicans took Congress, the baseline Clintonomics budget forecast was $200 billion deficits for as far as the eye could see.

Finally, since November 1994 Republicans have presided over a sizzling economy and a record bull market on Wall Street. When Republicans took over Congress in November 1994, the Dow Jones Industrial Average stood at 3,800. Since then, the Dow has gained more than 5,000 points—reflecting the greatest

buildup of wealth in American history. Make no mistake about it: This is not a Bill Clinton but a Newt Gingrich bull market. "The markets love Republicans not for what they do, but for what they don't do," economist Arthur Laffer has hypothesized. "They don't raise taxes, they don't nationalize the health care system, they don't erect new protectionist trade barriers." Republicans can be counted on to do minimal harm, and in this global, high-tech economy, that may be good enough to keep markets chugging along.

Yet for all of these accomplishments, there is still the nagging and unavoidable reality that no matter how you measure it, the government —aside from military programs—isn't getting any smaller. Republicans have now approved four budgets (for fiscal years 1996 through 1999) that have allowed total nondefense expenditures to expand by $62 billion *more* than in the four years before the GOP took over Congress.



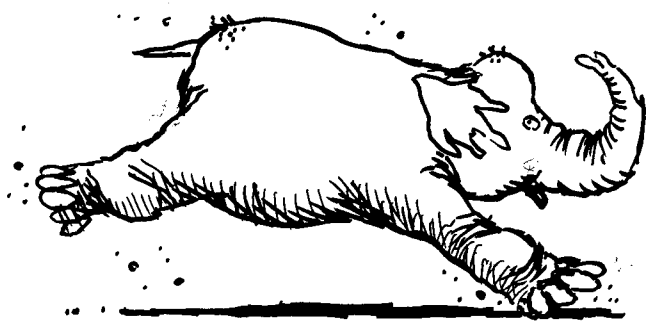
Republicans counter these depressing numbers by noting that Congress lacks unilateral authority to scale back ravenous entitlement programs—which is where most of the budget growth is. The president's signature is required to change the law on public benefits. For instance, back in 1995, during the infamous two-and-a-half-week-long shutdown of the government, Republicans had approved Medicare and Medicaid reforms that would have saved roughly $30 billion per year. Those savings were vetoed by Bill Clinton.

In the end, though, this explanation for federal budget expansions is unconvincing. If entitlements are the problem, why have congressional Republicans continued to accommodate the president's requests for new ones? Bill Clinton didn't put a gun to Republicans' head last year when they funded five new welfare, health care, and education entitlements.

Senate Budget Committee Chairman Pete Domenici of New Mexico has valiantly trumpeted the GOP budget record by announcing that total federal spending as a share of national output is falling. And indeed, federal spending is now below 21 percent of gross domestic product, down from its zenith of about 23.5 percent during the Bush-Darman years.

But there is no mystery as to what accounts for the decline: The Cold War ended. Military spending as a share of GDP is now at its lowest level since the late 1930s. The defense budget has been halved from 6 percent of GDP in 1967 to 3 percent today. Meanwhile, social spending has climbed to 18 percent of GDP, near its highest level ever. (See Chart 1.) This is the first postwar period in American history in which "peace dividend" savings have not been passed back to taxpayers through tax cuts. Instead, those defense savings have been diverted to honey bee research, Lawrence Welk museums, kiddie care, International Monetary Fund bailouts, and all of the other civilian programs crammed inside the 2,200-page budget. Of the $81 billion in new spending this year, virtually every penny will be deposited in domestic agencies.

Republicans are correct in complaining that Bill Clinton has been a tireless defender of the size and scope of government and a hindrance to every budget cut they have tried to make. For example, the latest White House budget contains 1,001 ideas for expanding government into every conceivable nook and cranny of domestic life. But in 1997, after belittling Clinton as a spendaholic, Republicans proceeded to send to the Oval Office a budget that somehow managed to spend $4 billion *more* than the president requested. The truth is, Sen. Phil Gramm (R-Tex.) noted last year, "Some of our Republican members routinely want to outspend Clinton."



A lesson of the Reagan years was that in order to genuinely downsize government over the long run, it's simply not enough to prune back agency budgets. They have to be pulled up by the roots, and salt needs to be poured on the soil. If any part of a program's infrastructure remains intact, it will soon grow back to its original size, if not even larger. This was a lesson Republicans said they understood back in 1995. Newt Gingrich declared shortly after his elevation to the speakership that "Republicans will prove to the American people that we can get rid of programs, not just create new ones."

In the early days of the Republican "revolution," it seemed this proclamation would be carried out. Back in April 1995 the House Republicans—inspired by the libertarian-leaning class of 72 GOP freshmen—passed a courageous budget based on the Contract with America. By Washington standards, it was an unprecedented blueprint for governmental restructuring. It slated more than 300 indefensible federal programs and three worthless cabinet agencies—Commerce, Education, and Energy—for the scrap heap. Some of these programs, such as the Legal Services Corporation, bilingual education funds, and Bill Clinton's army of Americorps "volunteers," were little more than political slush funds for left-wing constituencies. Others—like the Tennessee Valley Authority and the Rural Electrification Administration—were so antiquated that Barry Goldwater pledged to shut them down some 35 years ago when he ran for president. Most of the rest were simply hopelessly ineffectual: the Economic Development Administration, Amtrak operating funds, federal transit grants, the Appalachian Regional Commission, and maritime subsidies.

In its audacity, the original Contract with America budget was reminiscent of the first Reagan-Stockman budget back in 1981. Unsurprisingly, it met with much the same fate: When Clinton vetoed the GOP budget and the government shut down, the GOP panicked and resurrected almost all of the condemned agencies. Last year I asked House Appropriations Committee Chairman Bob Livingston of Louisiana for a list of the programs that actually have been terminated. I received an impressive-looking, four-page list of canned programs. I am happy to report that we no longer spend tax dollars on the Cattle Tick Eradication Program, the U.S. Travel and Tourism Administration, the Rural Abandoned Mine Program, and the Women's Educational Equity Act. Similarly, a House parking lot, warehouse, and barber shop have all been privatized. Good riddance to bad rubbish.

But the good news ends there. All but a handful of the 297 programs on Livingston's list had price tags of less than $1 million—not even a rounding error in our $1.8 trillion budget. The total annual savings amounts to $3 billion—a microscopic 0.017 percent of federal largess. Sure, that's $3 billion more than the Democrats ever saved. But all the big fish got away.

In fact, it's worse than that. Spending has actually risen by 1.3 percent for the 38 biggest programs once slated for termination. (See Chart 2.) For instance, the budget for Americorps was $4.3 million when the Republicans took Congress. Now it's $504 million. The Goals 2000 program—"free money" for education that some states have actually rejected because of the strings attached—has roughly tripled in size over the same period, from $231 million to $668 million. In the 1997 appropriations, funds for bilingual education rose by 35 percent, for the Appalachian Regional Commission by 6 percent (even Clinton wanted to freeze this agency), and the World Bank by one-third. Republicans even gave a 10 percent raise to the Internal Revenue Service.

The single program that has become a fiscal litmus test for the GOP is the National Endowment for the Arts. The House narrowly voted to kill the NEA last year, but it was resuscitated by GOP senators. In fact, Sen. John Chafee (R-R.I.) was so incensed

Chart 2
Programs Slated for Termination in Contract with America Budget
(millions of dollars)

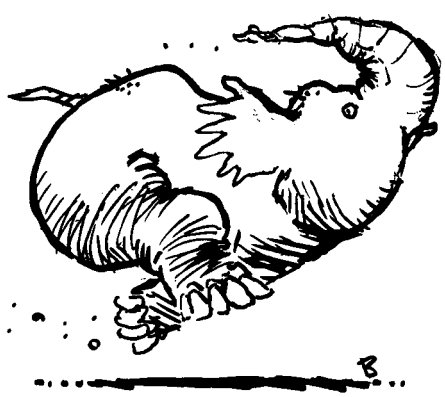
	1995	1997	% Change
Departments			
Department of Commerce	$ 3,401	$ 3,808	12.0
Department of Education	31,322	28,340	-9.5
Department of Energy	17,617	15,423	-12.5
Agencies, Boards, Commissions, and Authorities			
Economic Development Administration	350	453	29.4
International Trade Administration	271	261	-3.7
Minority Business Development Agency	42	36	-14.3
Federal Transit Administration	1,257	923	-26.6
Agency for Health Care Policy & Research	133	95	-28.6
Corporation for National and Community Service	426	504	18.3
Corporation for Public Broadcasting	286	260	-9.1
Appalachian Regional Commission	189	198	4.8
Federal Maritime Commission	19	14	-26.3
Tennessee Valley Authority (area & regional development)	258	117	-54.7
Arts in Education	11	9	-18.2
Manufacturing Extension Partnership	40	98	145.0
DOT's Minority Business Resource Center	2	5	150.0
Intelligent Transportation Systems	143	113	-21.0
Amtrak subsidies	806	552	-31.5
Northeast Corridor Improvement Program	200	179	-10.5
Local Rail Freight Assistance	16	7	-56.3
Low Income Home Energy Assistance	1,419	1,097	-22.7
Trade Adjustment Assistance	268	265	-1.1
Woodrow Wilson International Center for Scholars	6	6	0.0
Clean coal technology program	243	244	0.4
National Endowment for the Arts	176	128	-27.3
National Endowment for the Humanities	180	130	-27.8
Interior Department and USDA land acquisition	268	183	-31.7
Goals 2000	231	688	197.8
Impact Aid Payments for Federal Property (Education Dept.)	16	18	12.5
Bilingual Education Instructional Services	117	157	34.2
Immigrant Education	50	100	100.0
Howard University Academic Program	210	192	-8.6
Star Schools	25	30	20.0
Javits Gifted and Talented Education	5	5	0.0
Eisenhower Regional Consortium	15	15	0.0
International Education Exchange	3	5	66.7
School-to-Work Opportunities, State Grants and Local Partnerships	82	504	514.6
Veterans Employment Program	8	7	-12.5
HOPE Grants	75	86	14.7
Legal Services Corporation	429	257	-40.1
Community Development Block Grants	4,333	4,837	11.6
Subtotal	**12,608**	**12,778**	**1.3**

During the Reagan years, Republicans argued (unconvincingly) that the president cannot downsize the government, only Congress can. Now with the parties' roles reversed, many of these same Republicans seem to be saying, "Congress cannot cut the budget; only the president can." Republican leaders are now reluctant to target even programs with little or no public support.

by the recklessness of the young turks in the House that he proposed *increasing* the NEA's budget by 70 percent. The compromise struck was to cut the $100 million arts budget to $99 million. As the Heritage Foundation's Marshall Whitman quipped, "We're on a 99-year glide path to kill the NEA." Sadly, that's far more progress than we're making with most obsolete and unproductive federal programs.

For advocates of minimal government, this refinancing of programs that Republicans have railed against for 30 years is excruciating to witness. Cutting nonentitlement domestic programs is something Republicans have the power to do unilaterally. If the GOP truly wanted to end the NEA, it could cancel the funding tomorrow. The president cannot appropriate a dime of money for the NEA—or any federal nonentitlement program. Only Congress can. True, the president can whine and moan—and even shut down the government via his veto power—but he can never force Congress to spend money it doesn't want to spend. As Appropriations Committee Chairman Livingston pointed out in the GOP's headier days of 1995, "If the president vetoes a zero, he's still left with zero." During the Reagan years, Republicans argued (unconvincingly) that the president cannot downsize the government, only Congress can. Now with the parties' roles reversed, many of these same Republicans seem to be saying, "Congress cannot cut the budget; only the president can."

The Republican retreat from cutting programs related to health care, education, and the environment is somewhat understandable, given President Clinton's 1996 presidential campaign. In large part, Clinton's platform was built around promises to save such programs from any budget cutting. But Republican leaders are now reluctant to target even programs with little or no public support. What, for instance, could possibly explain the GOP's refusal to board up the last vestige of the oil crisis, Jimmy Carter's Department of Energy? We have a national energy policy that is working extremely well for consumers nowadays: It's called the free market, and it has helped deliver historically low prices on gasoline. On top of that, Hazel O'Leary, Clinton's first-term energy secretary, was a poster child for wasteful, unnecessary government spending: She used the DOE as her passport to travel first class around the globe at taxpayer expense and created a Nixon-style "enemies list" of free marketeers who want to privatize energy policy. Yet to repel the budget cutters, DOE officials staved off unwelcome GOP scrutiny by wisely forming an alliance with Western Republicans such as Rep. Dan Schaefer of Colorado and Sen. Pete Domenici of New Mexico, each of whom has national laboratories and other energy pork within his borders.



Republicans also continue to pour hundreds of millions of taxpayer dollars directly into the coffers of Planned Parenthood, the National Council of Senior Citizens, the Children's Defense Fund, the National Education Association, and trial lawyers. This is not merely a sign of cowardice—it also represents monumental political stupidity. The GOP has chosen to continue to fund the very advocacy groups that have declared a holy war against the Republican Party. Even after the unions spent an estimated $35 million against GOP candidates in 1996, Republicans continue to replenish their coffers through odious programs like the Davis-Bacon Act, an obsolete New Deal–era law which requires union wages on federal contracts, pumping tens of millions of federal dollars straight into the AFL-CIO political war chest. The Legal Services Corporation still receives $200 million a year to finance leftist legal activists dedicated to undermining the free market agenda.

Stockman used to preach about a budget reduction strategy that targeted "weak claims, not weak claimants." The corporate community in Washington that feeds at the federal trough each year has the weakest of claims but the deepest of pockets. The federal government spends nearly $70 billion a year on welfare for such impoverished companies as AT&T, General Electric, and Chevron, helping them to rig markets, stave off competition, and fatten their bottom lines. The results of such handouts are indefensible. For instance, the General Accounting Office estimates that price supports for sugar gouge consumers out of some $1.4 billion a year through higher food prices. Archer Daniels Midland, the $12.7 billion conglomerate that claims to be the "supermarket to the world," derives more than

Funding parasitic corporations only reinforces the public's general suspicion that the GOP is the party of the rich, the privileged, and the corporate lobbyists. After witnessing the full funding of one corporate welfare program after another, I have to say the public's suspicions may be correct. (The Clintonite New Democrats, unfortunately, are no better.)

$200 million of its annual profits from the production of its government-protected high-fructose corn syrup.

Here's another weak claim: Under the late Ron Brown and now Bill Daley, the Clinton administration has converted the Commerce Department into a $5-billion-a-year, wholly owned subsidiary of the Democratic National Committee. The department is now used to shake down *Fortune* 500 companies for campaign contributions in exchange for millions of dollars of pork-heavy, high-tech grants and sweetheart deals with foreign governments arranged during trade missions around the globe. It is at the epicenter of the Clinton fund-raising scandals. In 1995 Brown created in his office a taxpayer-financed war room of government employees whose full-time job it was to save the department. This is a bureaucratic agency whose sole mission in life is self-preservation—the sort of dragon smaller-government Republicans should be able to slay in their sleep.

Then there's the Agriculture Department's Market Access Program, which subsidizes foreign sales by U.S. corporations. Every year American taxpayers cough up $100 million to help advertise the Pillsbury Dough Boy, Dole pineapples, Purina Puppy Chow, the dancing California raisins, and Napa Valley Cabernets on TV and radio in Europe and Asia. "Why can't Pillsbury spend its own money on advertising?" Kasich asks. Why, indeed. This program is an affront to American voters' sensibilities. But instead of terminating the program, Congress has kept the dollars flowing to the corporate looters. The only concession won by budget hawks has been a "time limit" for the aid. Ironically, while the welfare bill imposes a two-year limit on mothers receiving AFDC and food stamps, corporate welfare queens are permitted five years on the dole before they are tossed out of the safety net.

Funding parasitic corporations only reinforces the public's general suspicion that the GOP is the party of the rich, the privileged, and the corporate lobbyists. After witnessing the full funding of one corporate welfare program after another, I have to say the public's suspicions may be correct. (The Clintonite New Democrats, unfortunately, are no better.) The mercantilist policies of the Commerce and Agriculture Departments are the antithesis of the free market policies Republicans say they espouse—and, since they're extensions of a hostile Democratic administration, it's hard to understand why they continue not merely to exist but to flourish. Corporate handouts create a constituency of statist businessmen who have joined forces with politicians and bureaucrats to lobby for ever-expanding government. "If you can't push AT&T and G.E. off the dole," Silicon Valley venture capitalist Tim Draper told the Senate Government Affairs Committee in March, "how can we ever expect to get farmers, unions, artists, and seniors to give up their subsidies?"

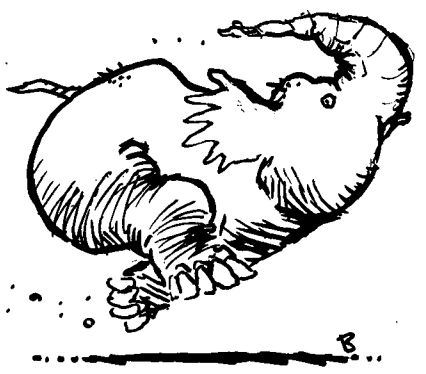
Exactly. A handful of congressional Republicans do recognize that shrinking the corporate welfare safety net is simultaneously good policy and good politics. Sen. Sam Brownback of Kansas correctly insists that "cutting federal aid to business should be promoted as welfare reform, round two." He sensibly proposes earmarking savings from ending business subsidies to pay for a capital gains tax cut, small business tax relief, and other measures that will do far more to improve the overall competitiveness of U.S. industry. His one-man crusade against "welfare for the well-off" has been admirable, but so far he has lost to his corporate statist colleagues (who populate both parties) on nearly every vote. When I asked Newt Gingrich why the 105th Congress has not made a serious attempt to slice out corporate pork, he responded: "This really isn't one of our top priorities. And I don't like the term *corporate welfare* much anyway." You can lead an elephant to water, but you can't make him drink.

Similarly bizarre is the congressional Republicans' devotion to foreign aid programs. Every poll for the past 20 years has found that American voters loathe foreign aid. And for good reason: The economic evidence continues to mount that the $15 billion the U.S. government spends on the Agency for International Development, the World Bank, U.N. development programs, the IMF, and other forms of developmental assistance merely perpetuates poverty in Third World nations and underwrites corrupt regimes. As this is being written, congressional Republicans seem poised to extend an $18 billion federal line of credit to the corrupt IMF, as House Majority Leader Dick Armey fights a lonely battle against the international statists.

No single bill exemplifies the decisive rout of fiscal conservatism on Capitol Hill more than the 1998 highway bill. The committee ballooned to 73 members, making it the biggest spending committee in the history of Congress. The $214 billion bill, drafted by Chairman Bud Shuster (R-Pa.), represents a 40 percent, five-year increase; it's the most expensive public works bill in American history.

In March 1997, when House International Relations Committee Chairman Ben Gilman (R-N.Y.) convened a hearing on the future of foreign aid, seven of the eight witnesses testified in favor of more funding. Six of them were on the dole themselves: the American-Israeli Public Affairs Committee, the Irish National Caucus, Africare, World Vision, the American League for Exports and Security Assistance, and the nation's leading corporate welfare queen, Bechtel Corp. As *Investor's Business Daily* reported, "The free enterprise viewpoint on foreign aid got a better hearing when the Democrats ran Congress." In fact, Gilman's bill was so generous that a leftist organization called Interaction, a conglomeration of hundreds of groups that receive foreign-aid goodies, praised the Republicans for "passing a bipartisan bill that restores U.S. funding for international affairs." Gilman has circulated the letter to try to rally votes for his bill. This would be like Chicago's chief of police boasting of an endorsement from Al Capone.

For all intents and purposes the GOP's budget-cutting crusade ended with the 1997 budget deal—a negotiated settlement that would be more accurately described as the terms of budget surrender. With each passing day the extent of the victory for the pro-spending lobby becomes more apparent. Last summer, for instance, *The Washington Post* ran a front-page story aptly titled "Social Funding to Increase Significantly." "After years of assuming that a balanced budget agreement would inevitably entail deep cuts in domestic programs and catastrophic consequences for the neediest," began the story, "liberal advocacy groups and other analysts have found an extraordinary surprise: significant increases in funding for the elderly, the indigent, the college-bound, families with children, and immigrants." That covers just about everyone. To emphasize the point, the *Post* reported that funding for health, education, and welfare programs has soared by 29 percent since the Gingrich revolution was launched. Jubilant social welfare agency spokesmen proclaimed, "We got most everything we wanted."



The welfare industry's crown jewel in the 1997 pact was the $24 billion Kennedy-Hatch health insurance bill, which Kennedy touted as "a major step forward toward national health care." Steve Pollack, director of Families USA, a welfare-advocacy organization, praised it as "providing the most significant advance in funding for health care coverage since the Medicare and Medicaid programs were enacted 32 years ago."

Newt Gingrich and Trent Lott have been scrambling to try to convince their constituents (and themselves) that they have successfully tamed the budget. Ironically, to camouflage the torrent of new spending, Republicans have reverted back to the deceptive rhetoric of current services budgeting—a practice they lambasted when they were in the minority. The 1996 GOP platform trashed baseline budgeting as "a deceptive and reprehensible shell game." Now we have Republican leaders Pete Domenici, Newt Gingrich, and Trent Lott embracing the practice, applauding hundreds of billions of dollars of "savings" and "cuts" in a Republican budget that allows spending to grow by at least $75 billion. A shell game indeed, when the level of spending cuts promised in the Contract with America is compared with the actual level of spending. (See Chart 3.)

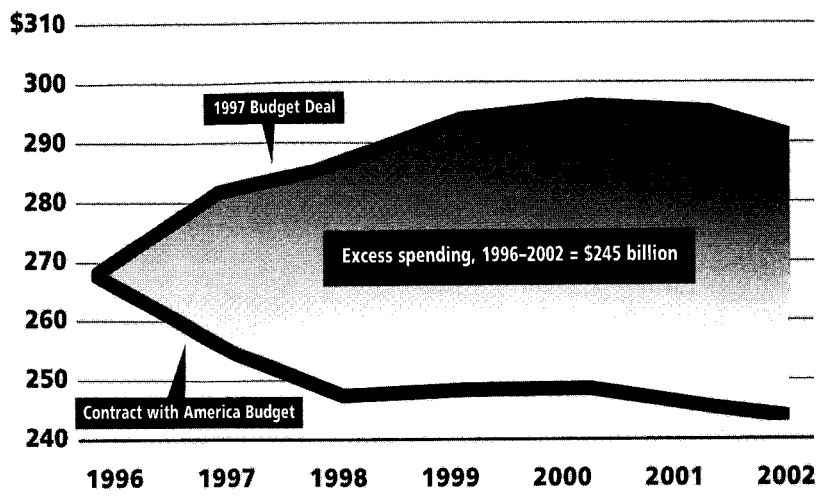
No single bill exemplifies the decisive rout of fiscal conservatism on Capitol Hill more than the 1998 highway bill. The first sign of trouble was the stampede of Republican House members pleading for a coveted slot on the Transportation Committee shortly after the 1996 elections. The committee ballooned to 73 members, making it the biggest spending committee in the history of Congress. The $214 billion bill, drafted by Chairman Bud Shuster (R-Pa.), represents a 40 percent, five-year increase; it's the most expensive public works bill in American history. The standing joke in Washington this spring was that because of his penchant for laying cement, no blade of grass in America is safe while Bud Shuster runs the committee.

The bill contains 1,467 white elephant transportation "demonstration" projects for bicycle paths, hiking trails, bus museums, parking garages, subway systems to nowhere, and university research. That's three slabs of bacon for every congressional district and 10 times more pork projects than in the Democrat-drafted highway bill Ronald Reagan vetoed a decade ago. It is $30 billion above the already generous spending caps set during the 1997 budget deal. Even President Clinton lashed out at

the bill, rightly calling it "fiscally irresponsible."

In the Senate there was not a peep of protest against this fiscal travesty. The bill passed 96–4, with the only nay votes coming from the delegations of Wisconsin and Pennsylvania—which complained that their states were getting shortchanged in the spending sweepstakes. In the House, only a third of Republicans voted no. One who did, Rep. Chris Shays of Connecticut, a moderate, declared shortly before the House vote, "This bill is a dramatic sign that the Republican revolution is dead."

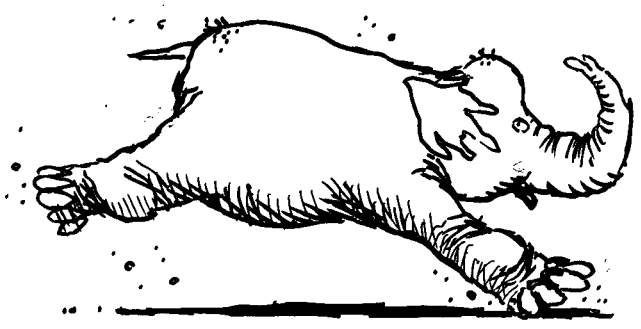
Chart 3
Promises Made, Promises Broken
(nondefense discretionary spending)



So what lessons should voters learn from the collapse of the GOP's budget-cutting agenda? The parallels with the disappointing Reagan budget revolution are striking. David Stockman concluded in *The Triumph of Politics* that the heretics in the 1980s were not Tip O'Neill, Ted Kennedy, and other liberals hell-bent on preserving the status quo. Rather, the real problem lay in Reagan Cabinet members who would wear their Adam Smith ties to meetings, only to plead for ever-increasing funding for their own agencies. Congressional Republicans during the Reagan years also quickly abandoned the idea of cutting the budget in favor of power, prestige, and thick slabs of pork. In the end, writes Stockman, the Republicans could not bring themselves to say no to "Social Security [cost-of-living adjustments], corporate protectionism, safety net programs, urban aid grants, and farm price supports."

Similarly, after four years of a Republican Congress, the downsizing agenda has itself been downsized, almost to the point of completely disappearing. The conventional explanation for the GOP's fiscal retreat is that the public backlash from the failed government shutdown episode has turned the Republicans into a bunch of Milquetoasts. But the truth is that even if Republicans had won that early battle with Clinton, they would still have made a separate peace with the pro-spending lobby by now. There are simply too many James Jeffordses, John Chafees, Al D'Amatos, and Bud Shusters in the GOP to sustain a credible small-government agenda.

Indeed, the big spenders' control of the party's fiscal agenda seems distressingly secure. Liberal House Republicans are now conspiring to elevate House Appropriations Committee Chairman Bob Livingston, big spender extraordinaire and the enduring symbol of the let's-make-a-deal school of politics, to the speakership. They may well succeed. And who will be the next majority leader to lead this fiscal revolution? Bud Shuster?



But Republicans have an even bigger problem confronting them. For 30 years they have dedicated themselves to the mantra of a balanced budget. To their credit, that objective has been achieved—though mainly through record tax increases and military downsizing. Without the demon of the deficit, Senate Republicans are content to preserve the status quo—and even to brag about spending surplus funds on new social programs. In the wake of the balanced budget accord, few are comfortable articulating the case for smaller government. And you can count on one hand the number of Senate Republicans who are comfortable voting for it. The 1998 Senate budget resolution passed in April was nothing but a resounding affirmation of the status quo. It specified zero program terminations.

There is a silver lining, though, in the House, where a few Republican budget hawks remain. They are mostly from the freshman class of the 104th Congress and include stalwarts such as Mark Neumann of Wisconsin, Mark Souder and David McIntosh of Indiana, Mark Sanford of South Carolina, J.D. Hayworth and Matt Salmon of Arizona, and Steve Largent of Oklahoma. There are perhaps 50 or so Republicans who have remained true to principle and have rejected the spendthrift mentality of the past two years. Within the GOP caucus, they are treated like tobacco lobbyists at a health care convention.

Given that, it's tempting to conclude that cutting the colossal federal empire in Washington is futile. That was David Stockman's disgruntled conclusion in 1985. It's also how many analysts are interpreting the 105th Congress's performance. Applying the public choice analysis of the late Mancur Olson, Jonathan Rauch, author of *Demosclerosis: The Silent Killer of American Government*, believes that the continued growth of government under a GOP Congress means that "conservative visionaries who

All of the public choice barriers to cutting government that existed in 1980 are still present today. The political process is still severely biased in favor of spending, rather than cutting. This suggests that the most promising political strategy for cutting government is to devote money and energy to institutional reforms—to actually change the rules of the game, rather than simply trying to outplay the other side.

still hope to radically reduce Washington's reach are today just as pie-eyed as liberal visionaries who hope to turn America into Sweden." Political writer E.J. Dionne of *The Washington Post* says politicians are simply "delivering all the government that the voters want." *The Weekly Standard*'s Bill Kristol and David Brooks write of a need for the GOP to stop being "unfriendly to big government." Instead they believe that the American people long for Uncle Sam to serve as a vehicle for achieving "national greatness." Even though they're coming from different perspectives—Olson/Rauch as political economists, Dionne and Kristol/Brooks as ideological advocates—all agree that cutting the government is hopeless.

The double lesson of the Reagan and Gingrich eras is that Republicans are perhaps a necessary but not a sufficient condition for achieving smaller government. After 12 years of GOP presidents and four years of a GOP Congress, all of the public choice barriers to cutting government that existed in 1980 are still present today. The political process is still severely biased in favor of spending, rather than cutting. This suggests that the most promising political strategy for cutting government is to devote money and energy to institutional reforms—to actually change the rules of the game, rather than simply trying to outplay the other side.

Foremost among these rule changes is term limits. When Republicans took over Congress in 1995, the new majority leader, Dick Armey, one of the few dedicated limited-government conservatives in Congress, declared that if Republicans did their jobs, "maybe the public's desire for term limits will subside." Just the opposite has transpired: The 104th and 105th Congresses have been shining monuments to the need for limiting terms. My colleague at the Cato Institute Aaron Steelman has found that the propensity to tax, spend, and regulate rises in an almost linear fashion with length of time in office. In fact, that's particularly true for Republicans, since Democrats usually come to Washington already inclined to spend other people's money. For Republicans, taxing and spending are learned behaviors.

Tax limitation measures are also imperative. Here the experiences of the states are instructive. The Western states—such as Arizona, Colorado, Montana, and Nevada—that have enacted supermajority or voter approval requirements for tax increases have stopped them dead in their tracks. Other states have constitutional constraints on the rate of spending growth—normally tied to population growth plus inflation—that require tax rebates instead of spending hikes during boom periods. A two-thirds supermajority requirement for new taxes would have prevented the last five federal tax increases—including the Bush and Clinton hikes. At the end of April, the House voted down a constitutional amendment requiring a two-thirds majority, 238–186, primarily along party lines.

Fiscal conservatives should have by now been jolted from their 30-year fantasy that if only Republicans controlled Congress, government would become smaller, less consequential, and less intrusive. Those (including me) who once upon time believed this fairy tale should have known better. As in the early 1980s, we have once again collided with the central reality that despite the appealing rhetoric, the GOP is not a small-government party. The Democratic cardinals on Capitol Hill have simply handed over the reins of power to a cast of Republican cardinals.

This is not to say that libertarians and fiscal conservatives should conclude that cutting the government is infeasible, as Rauch, and apparently Kristol and Brooks, have surmised. Before advocates of limited government can change the country, they must change the GOP. It's not a fantasy to imagine that someday Republicans can cut the budget and rein in the federal government; it's just that *these* Republicans won't do it.

When Bud Shuster was recently asked to justify all the pork spending projects in the highway bill, he cavalierly replied: "Look, congressmen aren't angels." No, they certainly are not. And the lesson of the last four years has been that they are not angels even—and in some cases *especially*—if they have an *R* next to their names.

Stephen Moore is director of fiscal policy studies at the Cato Institute.

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CAPITALIST TOOL TIME

CHIP BOK

Steve Forbes is running for president and may well win the GOP nomination. But what kind of road is he traveling?

By John J. Pitney Jr.

Predictions about the GOP's next nominee deserve about as much faith as sworn statements by President Clinton. In recent months, however, it has become clear that the top tier of contenders will include Steve Forbes. Two years before the presidential primaries of 2000, Forbes has been outpacing his rivals with an impressive schedule of speeches, television appearances, and radio ads.

In one sure sign that Forbes has become a household figure, his name recently came up in an argument for an anti-cloning bill. A Democratic state legislator in New Hampshire said to the *Manchester Union-Leader*, "Do we want to have 10,000 Steve Forbes running around?"

Forbes's emergence is remarkable. Every president from Washington to Clinton has held either elective office or a high-level appointment such as a generalship. Apart from his stint on the Board for International Broadcasting, Forbes lacks government experience. Still, he does pass one key test: Like all Republican nominees between 1968 and 1996 except for Ford, he has already lost a bid for the White House. GOP primary voters like their candidates bloodied and humbled.

Forbes understands that any potential GOP nominee has to navigate the Republican Bermuda Triangle: the party's fractious coalition of libertarians, social conservatives, and office-holders. That's hard to do, and even at this early stage, his positions on abortion and drugs have alienated some elements of his libertarian base. But Forbes is no simple trimmer. Main Street Republicans fret about his forthright positions on issues such as Social Security and affirmative action, fearing that Democrats will brand him—and the party—as "extremist."

One label that people seldom associate with Steve Forbes is "daredevil." And yet he has indeed been taking riskier positions than George W. Bush, Lamar Alexander, and other top contenders. There are two possible explanations. One is that he's a sheltered political naif who just doesn't understand the trouble he's going to get into. The

other is that he's a shrewd political leader who is firm in his beliefs and confident of his ability to change people's minds.

Either way, he's come much further than anyone expected a couple of years ago.

The Special Olympics Smile

Forbes suffered from a late entry into the 1996 nomination campaign. Dole had already cornered the support of the blue-haired ladies who do the grunt work of primaries and caucuses, so Forbes had to compensate by waging an air war. His commercials rapidly pumped up his poll numbers, which collapsed just as quickly when the other candidates counterattacked.

In the early weeks, his stump style ranged from wooden to robotic. *New Republic* reporter Michael Lewis offered this cruel but telling account of how Forbes reacted to applause: "A few years back there was a television commercial for the Special Olympics that concluded with a retarded boy bursting through the tape at the finish line and breaking into a joyous, heart-tugging smile. Forbes now wears exactly the same expression. He has a Special Olympics smile."

Other observers dismissed him as a rich dabbler—Michael Huffington minus Arianna. But after Dole clinched the nomination, Forbes confounded the skeptics. He didn't skulk away like Huffington, or go into full-metal-wacko mode like Perot. He stayed in the arena, learning from his own missteps, and adapting techniques from political comebacks of the past.

Since the summer of 1996, Forbes has been walking the old Nixon trail, campaigning for GOP candidates and picking up political IOUs. In February of this year, for instance, he went to Richmond and praised Virginia Gov. Jim Gilmore's initiative to repeal the state's hated car tax: "The governor has proved that you can marry power to perspective." In an interview in these pages ("Happy Warrior," February 1997), anti-tax activist Grover Norquist observed: "Forbes is helping people. Sometimes by helping other people you help yourself."

As Reagan did after leaving the California governorship, Forbes has set up his own political committee: Americans for Hope, Growth and Opportunity. Among other things, AHGO sends out blast e-mails and maintains an impressive Web site (www.ahgo.org). Forbes has also started daily radio commentaries, available in RealAudio on the AHGO site. By coincidence, Forbes's radio producer is the man who produced Reagan's broadcasts in the 1970s.

Forbes is improving as a public speaker. At the Southern Republican Leadership Conference held in Biloxi, Mississippi, this February, he delivered many of his lines with simple humor and a natural-sounding inflection. "And so even if you had trouble with math or arithmetic when you were in school, which of course none of *you* did—See, I'm learning to pander...." The aside got a good laugh, and he responded with a graceful smile, not one of the "Special Olympics" variety.

In May 1997, he gave the commencement address at Claremont McKenna College, in Claremont, California. He concluded with words that warmed the hearts of professors weary of student grammar: "Just remember, it's not who you know; it's *whom* you know." Then he did a couple of things that previous commencement speakers had not done. During the distribution of diplomas, he stood up and shook hands with every graduate: a small touch, but a pleasant, unexpected one. After the ceremony, he stayed around for more than an hour to pose for snapshots and chat with anybody who wanted to talk with him. (He gained from comparison with the previous year's speaker, the imperious Vernon Jordan. After giving a harshly partisan speech praising racial preferences and hinting that Republicans were bigots, Jordan did not deign to mingle with the proles. Maybe he was eager to return to his job-referral service.)

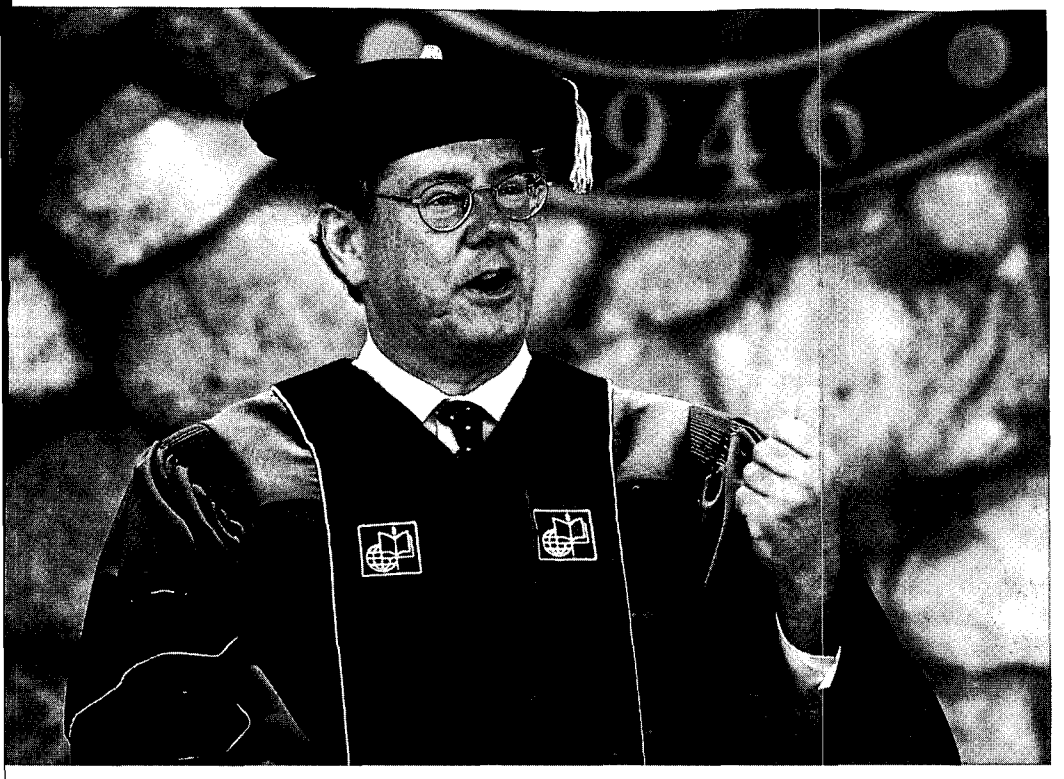
Life, liberty, and the pursuit of happiness, Forbes says, are the "moral basis of a free society." Government's role is to secure those rights—in the order that the Declaration lists them. "Switch the order—putting happiness before liberty, or liberty before life—and you end up with moral squalor."

Though he is getting better on stage, Forbes still has work to do. Too often, even when he is speaking off the cuff, he sounds as if he is reading a text for the first time. For one thing, he keeps committing the beginner's mistake of pronouncing the indefinite article *a* with a long-*a* sound ("ay"). At a New Hampshire town hall meeting, he said: "The IRS abuses... are ay symptom of ay corruptingly complex code."

During the same New Hampshire trip, Forbes toured downtown Nashua, with C-SPAN cameras rolling. At a shoe store, he awkwardly greeted clerks and customers, who seemed more interested in the merchandise. He stopped for a few moments with an 11-year-old girl, saying, "I hope you have a good shopping experience here." She thanked him and walked away. Throughout the visit, he seemed uneasy about getting in the way of market transactions—which, in a way, is a good sign.

The Thinking Man as Candidate

In May 1991, long before Forbes even thought of seeking office, REASON asked him to describe his political philosophy. "I'm pro-growth," he answered. "If that means enterprise zones, I'm supportive, and if it means increasing the earned income tax credit as a way of enabling people to get off the welfare treadmill, I would be for it. That's really the guiding compass: How do you let people develop



Professor of Faith: "This new era has made clear what has always been true—that the true source of wealth is the human mind, human imagination, inventiveness, stick-to-it-iveness," Forbes told graduates of Claremont McKenna College.

their talents with a minimum of interference?"

When it comes to broad free-market principles, Forbes "gets it." At the Claremont McKenna commencement, he said: "In times past, we thought of wealth, as land, armies, piles of gold and jewels, and, sadly, slaves. This new era has made clear what has always been true—that the true source of wealth is the human mind, human imagination, inventiveness, stick-to-it-iveness."

Earlier this year, he wrote an obituary for Julian Simon, the economist who debunked dire forecasts about population and pollution. "In an environment of freedom, more people mean more knowledge and, thus, more breakthroughs and inventions. In no small part due to Simon's work, the Chicken Littles were routed." Perhaps looking ahead to a race against Al Gore, Forbes added a caveat: "But Malthusians never stay down. They are at work today propagating a new menace to frighten us—global warming."

Both Gore and Forbes spoke at the Microsoft CEO summit in May 1997, and their remarks highlighted their philosophical differences. Gore compared free-market types to the heartless Tin Man of *The Wizard of Oz.* Today's Tin Men, he said, "have a cold, calculating bead on the facts and figures and theories that measure the rise and fall of markets," and their economic policy "is simply to slash taxes and get the government entirely out of the way." Their approach failed during the Reagan years, Gore argued, and it cannot work in a high-tech age: "The Tin Men offer no prescription for upgrading the skills of workers or for sparking innovation."

Forbes offered a different vision, calling the tax code "a real dead weight on the economic life in America." Whereas Gore proposed a federal plan to wire classrooms to the Internet, Forbes reached deeper: "Technology won't make a fundamental difference in education as long as the old monopoly is running it." He backed a variety of reforms, including school choice, to "blast those systems open."

Within the party, Forbes is scarcely alone in endorsing such policies. His rhetoric, however, suggests a more sophisticated understanding of government power. When other Republican leaders mention the Cold War, they usually limit their discussion to President Reagan's successful fight to bring down the Soviet Union. That part is true enough, but Forbes stands apart from the others in noticing that the struggle also had a dark side. In a speech at the Cato Institute last year, Forbes said that the Cold War had harmful effects on social and political life. National security, he said, gave the federal government a rationale for enlarging its power over education, research, transportation, and many other fields. By the early 1960s, people concluded that if the government could win two world wars and contain communism, it would do other good things, too. "And thus we got the War on Poverty, Jimmy Carter's moral equivalent of war on the energy crisis, and the war on drugs. War, real or metaphorical, has been the motif of this century." (We'll shortly return to his stand on the drug war.)

Forbes has repeatedly stressed the moral dimensions of his economic beliefs. You don't succeed in business through coercion or deceit, he said in his Claremont McKenna address, "You succeed in business by providing a product and service that people are willing to buy voluntarily from you." He has also discussed the need for honesty and integrity at the highest levels of politics. Many libertarians have praised this line of argument. As Edward Crane, president of the Cato Institute, has written: "I applaud Forbes's decision to include a call for moral leadership along with his libertarian policy proposals, ranging from the flat tax to school choice to Social Security privatization."

Life, liberty, and the pursuit of happiness, Forbes told the Heritage Foundation, are the "moral basis of a free society." Government's role is to secure those rights—in the order that the Declaration lists them. "Switch the order—putting happiness before liberty, or liberty before life—and you end up with moral squalor." From this belief, Forbes has derived some positions that have pleased so-

COURTESY CLAREMONT MCKENNA COLLEGE

cial conservatives while disturbing many of his libertarian allies.

Abortion and Drugs

Speaking to the Christian Coalition last September, Forbes got a rousing reaction when he said of America's national creed: "Remember, life begins at conception and ends at natural death." Many news reports quoted that line, but by itself, it carried less significance than reporters thought. They forgot that Forbes had used similar language in the 1996 campaign: "I believe that we should protect life from conception to natural death."

Pleasantly surprised social conservatives speak of Forbes's "conversion experience" while pro-choice Republicans complain about a sell-out to the religious right. In fact, he's been more consistent than either side thinks. On February 10, 1996, he said on CNN's *Evans and Novak* program: "I think that we have to bring public opinion along each step. I think we can start with a consensus by banning abortions in late pregnancy—barring a life-threatening emergency—barring abortion for purposes of sex selection, no mandatory government funding, parental consent in the case of minors." Robert Novak asked him if he would support a constitutional ban on abortion, provided that public opinion came along. "I wouldn't oppose it, if you have the culture with you," Forbes said.

That's largely his position today, but he has made some adjustments that have major political consequences. When the constitutional issue resurfaced during an *Evans and Novak* interview earlier this year, Forbes's answer suggested a crucial shift in tone: "I believe in life. I want that constitutional amendment."

Whereas he once downplayed abortion, he now emphasizes the issue. Earlier this year, he even supported a Republican National Committee "litmus test" on partial-birth abortion, which would have denied party funding to candidates who didn't oppose the procedure. (Many anti-abortion Republicans, most prominently Rep. Henry Hyde, opposed the test for dividing the party.) "We should not fund a Republican candidate who opposes partial-birth abortion bans unless there are special circumstances, as determined by a majority of the 165-member RNC," Forbes told *The Washington Times*. He added that there "may be circumstances, such as support for Rudolph Giuliani in New York, where you might want to make an exception."

Forbes's comments illustrate the risks of finessing the issue. Former Republican national chairman Richard Bond wrote: "Forbes has alienated activists on both sides of the abortion issue; encouraged Republicans to engage in an internal fight at a time when President Clinton and the Democrats are on uncertain footing; further driven away women and other potential supporters from the party; and encouraged further attempts for litmus tests to be foisted on Republicans by those who believe in single-issue candidacies."

On another social issue, Forbes has campaigned hard against medical marijuana. "What's going on?" asks Clifford Thies, chairman of the Republican Liberty Caucus. In an open letter to Forbes, available on the group's Web site (www.rlc.org), he continues: "Has he become so fixated on becoming president that he has adopted Bob Dole's failed strategy of trying to beat Clinton on the drug issue?" Libertarian writer Doug Bandow is even harsher: "Treating the sick and dying as the enemy is a particularly cheap way to win votes."

Forbes's supporters argue that his support for tough drug laws, like his abortion stand, is less a new position than a new emphasis on a longstanding and sincere belief. On July 1, 1996, he wrote in his magazine that "the beguiling notion that decriminalization of the use of 'mild' narcotics such as marijuana would allow authorities to crack down more effectively on hard drugs still persists (even in a recent *Forbes* story about the Netherlands). Alas, the idea is destructive nonsense."

Inevitably, Forbes's high-profile stands against abortion and in favor of the drug war will create friction between Forbes and the libertarian movement. If he is to hold onto at least a share of libertarian support, he has to take bold, pro-liberty stands on other issues.

Thies, however, argues that it's possible, indeed necessary, to have a separate discussion of medical marijuana: "As Republicans, we understand the importance of what we communicate to others, especially to youth. But it is immoral to hold sick people hostage so we don't miscommunicate our concern for drug abuse."

Some libertarians share Forbes's opposition to abortion. (Murray Sabrin, the Libertarian Party candidate for governor of New Jersey last year, attacked Republican incumbent Christine Whitman for her support of partial-birth abortion.) Some may even favor curbs on certain drugs. Inevitably, though, his high-profile stands on these issues will create friction between Forbes and the libertarian movement. If he is to hold onto at least a share of libertarian support, he has to take bold, pro-liberty stands on other issues. And he does.

Steve, the Vampire Slayer

Forbes has imported his favorite applause line from Transylvania: "Rather than further complicating a failed federal tax code, we should abolish it—kill it, drive a stake through its heart, bury it, and hope it never rises again to terrorize the American people." He urges Congress to take a "bold and radical step" by passing legislation to scrap the tax code by a date certain, a move that he hopes will trigger

Forbes's flat-tax proposal is compelling. For decades, Washington has used the tax code as an instrument of social and economic engineering. By getting rid of tax preferences, a flat tax would free individuals and businesses from a pervasive form of government power.

debate about "a new tax code for a new century."

Forbes thinks that the best alternative is a straightforward flat tax. His proposal features a 17 percent rate on wages and salary, with simple exemptions: $13,000 for singles, $26,000 for married couples filing jointly, and $17,000 for single heads of household. Taxpayers could also deduct $5,000 per child. He would not tax personal savings, pensions, Social Security benefits, capital gains, or inheritances. (Businesses would pay the 17 percent rate on net profits, and could write off investments in the first year.)

The flat-tax idea is compelling. For decades, Washington has used the tax code as an instrument of social and economic engineering. By getting rid of tax preferences, a flat tax would free individuals and businesses from a pervasive form of government power. With the elimination of most deductions and credits, taxpayers would no longer have to supply Uncle Sam with excruciatingly private information. Compliance costs would plunge, since people would no longer have to spend disproportionate sums on record-keeping and accountancy. And what's more, many people would see their taxes go down. Currently, an average family of four owes about $3,000 in taxes for the first $36,000 in income. Under the Forbes plan, they would owe nothing up to the $36,000 level; after that, they would pay 17 cents on the dollar.

The proposal might seem an automatic winner, especially since abusive IRS activity has received massive publicity, and the total tax burden has reached unprecedented levels. There's a catch, however: To slay the vampire, you also have to kill a sacred cow. On NBC's *Meet the Press*, Tim Russert asked Forbes if he would allow a deduction for mortgage payments. Forbes answered: "I think in order to make change...you have to go with a strong and pure proposal, or else the essence of it will not survive the political process."

Nearly 30 million households take the home-mortgage deduction. Even though many of them would do better under the Forbes plan, they balk at giving up an existing benefit. When the 1986 tax bill ended a number of tax breaks, Americans suspected that Washington would eventually renege on the promised payoff: reduction of the top rate to 28 percent. Guess what: They were right. People don't like Democratic tax increases, which is partially why Republicans took Congress in 1994. But courtesy of the Bush-Darman tax betrayal of 1990, they don't trust Republican pledges about tax cuts.

Even Republican primary voters are skeptical, especially when it comes to proposals that would touch the mortgage deduction. Dole effectively used the issue against Forbes in New Hampshire. In the general election campaign, Dole got his comeuppance when nobody believed his proposal for a 15 percent reduction in income tax rates.

Dan Quayle, among others, has hedged by calling for a "modified" flat tax that would retain the mortgage deduction. That one key word, of course, represents the difference between radical reform and another round of incremental change. The contrast shows that Forbes's stand is gutsier than it may first appear. He's betting that he can lead public opinion and overcome the attacks that will surely come both from Democrats and his GOP rivals.

A Nerd's *Cojones*

Forbes's risk-taking doesn't end with the flat tax. He has broken with congressional Republicans whose answer to the impending crisis of Social Security is the time-tested dodge of appointing a blue-ribbon panel. In January, he told the National Press Club that we do not need another commission: "We need action. We need real proposals on the table." Forbes's proposal is to phase in a new Social Security system for younger people, in which most of their payroll taxes would go to their own retirement accounts. In his magazine, he explained: "As things now stand, without major payroll tax boosts the actual return for our under-age-30 citizens will be decidedly negative. A new system would both avoid new levies and give participants vastly more than we are getting now."

Such a commonsensical position shouldn't require courage, but it does. Even though many Democrats have acknowledged the system's flaws, Republicans always invite trouble when they discuss programs for the elderly. In 1986, Senate Republicans lost their majority in part because they supported a modest adjustment in benefit *increases*. A couple of years ago, Democrats drew blood with their "Mediscare" campaign. In both cases, the GOP sustained damage even though it retreated—or perhaps *because* it retreated. In light of widespread public support for reform, Forbes believes that a strong, firm position will prevail in the end.

Forbes also differs from Hill Republicans on affirmative action. Increasingly paranoid about charges of "racism," the congressional GOP has been caving in to the regime of racial preferences. House Republicans could not get an anti-preference bill out of committee. While passing the shameful highway bill, Senate Republicans failed to repeal the even-more-shameful program that sets aside up to 10 percent of federal highway construction contracts to minority and female-owned businesses. Forbes, however, has been speaking out against state-sponsored discrimi-

nation. His group sponsored an ad campaign to support the Washington State Civil Rights Initiative. Forbes said that the measure would "reassert the moral principle that all Americans have been created equal in the eyes of the law, regardless of race or gender or national origin."

Forbes has criticized GOP congressional leaders for yielding too much ground to the White House on budget issues, and they've hinted at retribution. On CNN's *Evans and Novak*, Senate Majority Leader Lott recently said: "I've got this to say to some of the people that are using that as a method to get the nomination: They'd better be real careful. They may be surprised whose help they might need.... I don't appreciate it, and I'm not going to put up with it, I'll tell you that."

And on one important issue—immigration—Forbes has risked the antagonism of GOP grassroots activists, who see immigrants as burdens instead of assets. Forbes strongly supports legal immigration, because of his belief that human beings are the ultimate resource. He editorialized against California's Proposition 187 (which would have denied government benefits, including public schooling, to illegal aliens), and opposed a national version of the measure during his 1996 presidential campaign. He also came out against a constitutional ban on citizenship for children of illegal immigrants—a position that had enough GOP support to earn a place in the party platform. A leader of a California anti-immigration group told the *Los Angeles Times* that Forbes deserved special condemnation: "Steve Forbes basically says immigration makes Americans work harder. Here's a guy who inherited all of his money, never had to work for a dollar, and is telling us we have to compete against 4 billion people. Outrageous." (Although he inherited much of his wealth, of course, Forbes is in fact a CEO whose fortunes are tied closely to how well he runs the family publishing business.)

Whether out of courage or naiveté, Forbes is saying what he thinks. It's an unusual way to prepare for a presidential race.

The GOP Field

At the moment, that race appears open. Forbes won the presidential straw poll at the Conservative Political Action Conference in late January. He was the first choice of 23 percent of the attendees, compared with 10 percent for Texas Gov. George W. Bush. At the Southern Republican Leadership Conference a few weeks later, Bush led with 18 percent. Forbes placed second with 15 percent, followed by Dan Quayle with 12 percent.

These unscientific results, together with soundings of GOP activists, indicate that Bush is Forbes's strongest competitor. The funny thing, though, is that few Republicans outside Texas can identify anything he has done as governor. Just as Zsa Zsa Gabor was famous for being famous, Bush is popular for being popular. Name identification, of course, has much to do with it, and even that is a mixed blessing. Because of his 1990 budget deal and his humiliating loss to Bill Clinton, the elder Bush has become the "yada yada" chapter of GOP history: "Reagan cut taxes and won the Cold War, then yada, yada, yada, Clinton came along."

At the Southern Republican Leadership Conference, Dan Quayle praised Reagan extravagantly, but only once did he mention the man who chose him as vice president—and then only as Saddam Hussein's assassination target. The rest of Quayle's remarks were in character, which is to say that they ranged from trite to embarrassing. At one point, he described "the centerpiece of our anti-crime plan: Three interns and you're out!" He held up three fingers, perhaps trying to prove that he could count.

On his geekiest day, Forbes does better than that.

And if Forbes sometimes has a "robotic" speaking style, Lamar Alexander must really be a robot. His total lack of originality or spontaneity suggests an artificial life form that someone assembled from pieces of old politicians, according to a focus-grouped blueprint. Consider the tag line of his Web site (www. lamaralexander.com): "For the new century, America needs not so much a new kind of government—not a Squarer Deal or a Fairer Deal or a Greater Society—but a New Spirit...." This depth of banality is far beyond the reach of any natural-born human.

On one important issue—immigration—Forbes has risked the antagonism of GOP grassroots activists, who see immigrants as burdens instead of assets. Forbes strongly supports legal immigration, because of his belief that human beings are the ultimate resource.

Libertarians would be hard put to identify a potential GOP candidate (or, for that matter, a Democrat) whose positions are more acceptable than those of Forbes. Like other GOP proto-candidates, Bush, Quayle, and Alexander all oppose drug legalization and support abortion restrictions in varying degrees. Forbes outshines them on other issues, especially in his forthright stance on the flat tax. Compare his position with what Alexander said in 1996: "Taxes need simplifying and some of them need lowering."

Forbes is far from a perfect candidate. In his public style, he will never match the Great Communicator. In his issue positions, he will never completely please all the wings of the Republican Party. But the perfect candidate does not exist. Among the likely contenders, who else is there?

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French Kiss-Off

How protectionism has hurt French films

By Tyler Cowen

American movies account for 80 percent of European box office receipts, although European movies have won only 5 percent of the American market. Of the 100 highest-grossing movies in the world last year, 88 were American, and seven more were co-productions involving American producers. After aircraft production, the entertainment industry is America's largest source of trade surplus.

Most European nations, having concluded that their native producers face an uphill struggle, now subsidize filmmaking, and many, like France and Spain, place quotas on the importation of foreign films. Such Latin American nations as Brazil and Mexico mix subsidies and import quotas to hold off American market dominance.

But it is France, where American movies hold nearly 60 percent of the market, that provides the most revealing case of cultural protectionism. France has not only built a bureaucratic barrier against American culture, it has constructed a notorious intellectual case against it as well. The French spend hundreds of millions of dollars subsidizing film production, extend interest-free loans to designated filmmakers, and have placed quotas not only on imports but on television time.

The European Community requires all TV channels to carry at least 50 percent European programming. France has upped this total to 60 percent for European programs, with at least 40 percent of the total devoted by law to native French programs. The French government even enforces a separate quota for prime-time shows to ensure that French programs are not shunted into the least favorable hours.

PETER BENNETT

France's commitment to film protectionism became an international issue in the spring of 1994, during the General Agreement on Tariffs and Trade (GATT) talks. The world's leading trading nations negotiated widespread tariff reductions on goods and services, usually on a quid-pro-quo basis. American negotiators promised to remove many trade barriers against European goods, but they asked in return that the Europeans—especially the French—extend impartial treatment to American movies and remove the special taxes and quotas.

The French refused. Indeed, keeping out American films became one of the most important French national policies. The well-known director Claude Berri (*Jean de Florette*) reflected a popular attitude when he warned that "if the GATT deal goes through as proposed, European culture is finished." The French government even promised to veto any GATT agreement that did not preserve its protectionist policies toward film. French officials condemned Steven Spielberg's *Jurassic Park* as a "threat to [French] national identity." Despite the protestations of Hollywood, the Americans backed down and acceded to the wishes of the French government. After the French won the GATT battle, French director Jean Jacques claimed, "We removed the threat that European culture would be completely eliminated."

The "low" quality of many American films, and of much American popular culture, induces many art lovers to support cultural protectionism. Few people wish to see

the cultural diversity of the world disappear under a wave of American market dominance. When the French try to protect their native productions, even cultured Americans are tempted to applaud.

But contrary to popular opinion, cultural protectionism does not further cultural diversity. Protected artifacts often lose their artistic and competitive vitality. Protection actually *decreases* an industry's chance of competing successfully in world markets.

Real cultural diversity results from the interchange of ideas, products, and influences, not from the insular development of a single national style. The years since the GATT treaty was concluded have been no exception in the case of French films, which may be less competitive today than they were before GATT. France's exports to the United States increasingly feature period costume dramas such as *La Reine Margot*, *Ridicule*, and *Beaumarchais the Scoundrel*—films that, because they require a knowledge of French culture and history to be appreciated, are seen by an increasingly specialized audience. Such films reflect one aspect of the nationalistic cultural insularity that results from market protectionism.

France's great cinematic tradition notwithstanding, the French audience for films had been shrinking before GATT. In the decade preceding the agreement, yearly movie attendance fell from 183 million to 120 million. Although as recently as 1986 French films outperformed American films in the French market, the American share of that market has continued to grow despite intense protective measures.

Eric Rohmer, the French director of such popular art house comedies as *My Night at Maud's* and *Claire's Knee*, believes the French should fight back with high-quality movies. Rohmer perceives Hollywood as a danger, but he is not a cultural protectionist. As he told *The New York Times*, "I say to people, 'I am a commercial film maker'....I am not supported by the state; I am for free competition."

But Rohmer's is a lonely voice. French movie subsidies are financed with a tax on movie tickets and videocassettes. Encouraging moviegoing is obviously not on the agenda of the protectionists. The real debate over cinematic protectionism revolves around who will determine which movies are financed: moviegoers or the state. Unfortunately for French culture, the state has been winning.

Flashback

Film protectionists frequently claim that French moviemakers cannot compete with Hollywood, even in their home market. While it is true that the French-speaking market is smaller than the English-speaking market, the historical fact is that French filmmakers have competed quite successfully with their English-speaking counterparts. Indeed, France contributed more to the early history of cinema than any other nation.

Louis and Auguste Lumière, the first men to project films for a paying audience, pioneered the early development of the movie industry in the 1890s and enjoyed global success with their appealing documentary footage. Their contemporary Georges Méliès was the world's most popular maker of short imaginative films, inventing an array of special effects and establishing a worldwide following.

From 1906 to 1913, the French dominated world cinema as no single country has since. Pathé, France's leading production company, controlled one-third of the world film business in 1908. Some estimates credit the French with 90 percent of the world's early film business, a dominance achieved without governmental assistance. At that time, it was the American filmmakers who responded with charges of cultural imperialism and calls for government protection.

The world's leading screen star, Frenchman Max Linder, dominated the development of comedy. In fact, film comedy and slapstick were almost exclusively French inventions. Benefiting from such French "cultural imperialism," Charlie Chaplin drew extensively on Linder's films in shaping his own film style and character. The French dominated most cinematic forms and even experimented with the Western before Americans had established it.

France's film domination ended with World War I. Not only were production resources diverted to the war effort, but French filmmakers made a strategic mistake. The French Pathé empire of the 1910s began making films to suit Parisian tastes, limiting their attraction for the growing international audience. Hollywood producers took advantage of this opportunity and began replacing the French as filmmaking leaders. By 1919, the French share of the

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Wave Goodbye: Though France's New Wave of the 1950s and '60s was probably encouraged by protectionist subsidies, the policy appears to have resulted in years of diminishing returns. Interestingly, many New Wave films, such as Jean-Luc Godard's seminal *Breathless*, draw on American culture, motifs, and icons.

world market had fallen to 15 percent.

Yet France's cinematic successes were by no means over. The French were to challenge Hollywood for film leadership in the 1930s, a period usually cited by film historians as the Golden Age of French cinema. Many of the films they produced in that era remain classics, among them Jean Vigo's *L'Atalante*, Marcel Carne's *Daybreak*, René Clair's *A Nous La Liberté*, Jean Renoir's *Grand Illusion*, and the same director's *Rules of the Game*.

At the end of the 1920s, the French film industry ranked fifth in the world. By the end of the 1930s, however, French production had doubled, and the French industry ranked behind only the United States. During this period, French cinema received no government subsidies. The restrictions on imported films were trifling and did not keep American movies off French screens.

The films of France's Golden Age were so good that French audiences preferred them to the American product. In 1936, for example, the six most popular films in France were all native French productions. Of the 75 most popular films, 56 were French; only 15 were American. In 1935, 70 percent of all film receipts in France went to French-produced movies.

The French Golden Age was renowned for the artistic and commercial freedom that directors enjoyed. Unlike most major film producing countries, France did not have a rigid studio system. Hundreds of independent producers made up the bulk of the market. Directors—whose will reigned supreme—often shopped their proposed projects around until they found a producer in accord with their fundamental vision. In addition, French censorship was weak, especially compared to the restrictive Hays Code of the United States.

French filmmakers faced a turbulent market in the 1930s. Pathé and other early giants had frittered away their dominance, and many of the small filmmakers were in perpetual financial trouble; each year dozens of them went bankrupt, with new producers taking their place. As is frequently the case in cultural history, however, financial pressure did not prevent artistic achievement.

A Laissez-Faire Mise en Scène

The laissez-faire environment of the French Golden Age allowed the influence of foreign films to fertilize French creativity. Director Jean Renoir claimed to love only Hollywood movies and to scorn French films. Renoir often went to see American movies three times a day, seven days a week, seeking inspiration from Hollywood. Historically, French directors have been among the most insightful fans of American cinema, and such American directors as Howard Hawks (*His Girl Friday, The Big Sleep*) enjoyed critical reputations in France before they did in America.

The famous French New Wave directors of the 1950s and '60s were to draw on American inspiration as well. Jean-Luc Godard began his career with *Breathless*, a work filled with references to Humphrey Bogart. François Truffaut was inspired by Alfred Hitchcock's Hollywood films. Such American directors as Orson Welles and Stanley Kubrick were seminal for an entire generation of French filmmakers, who nonetheless made movies that were undeniably French, movies that were embraced by a native French audience no more "corrupted" by American work than were the directors.

Moreover, French cinema has never been a culturally pure, Gallic product. Foreigners not only influenced many of the best-known "French" films, they also directed them. Beginning in the silent era and continuing until the present, many of France's leading directors have come from all over Europe, including Denmark (Carl Dreyer), Russia (Yakov Protazanov), Spain (Luis Bunuel), Germany (Max Ophuls), and Poland (Krzysztof Kieslowski). The films of just these directors include some of France's finest work, from *The Passion of Joan of Arc*, to *L'Age d'Or*, to *The Earrings of Madame D.*, to Kieslowski's recent trilogy, *Blue*, *White*, and *Red*. French filmmaking has been so diverse throughout its history that fascist Vichy propaganda during World War II attacked it for being too cosmopolitan and insufficiently "French."

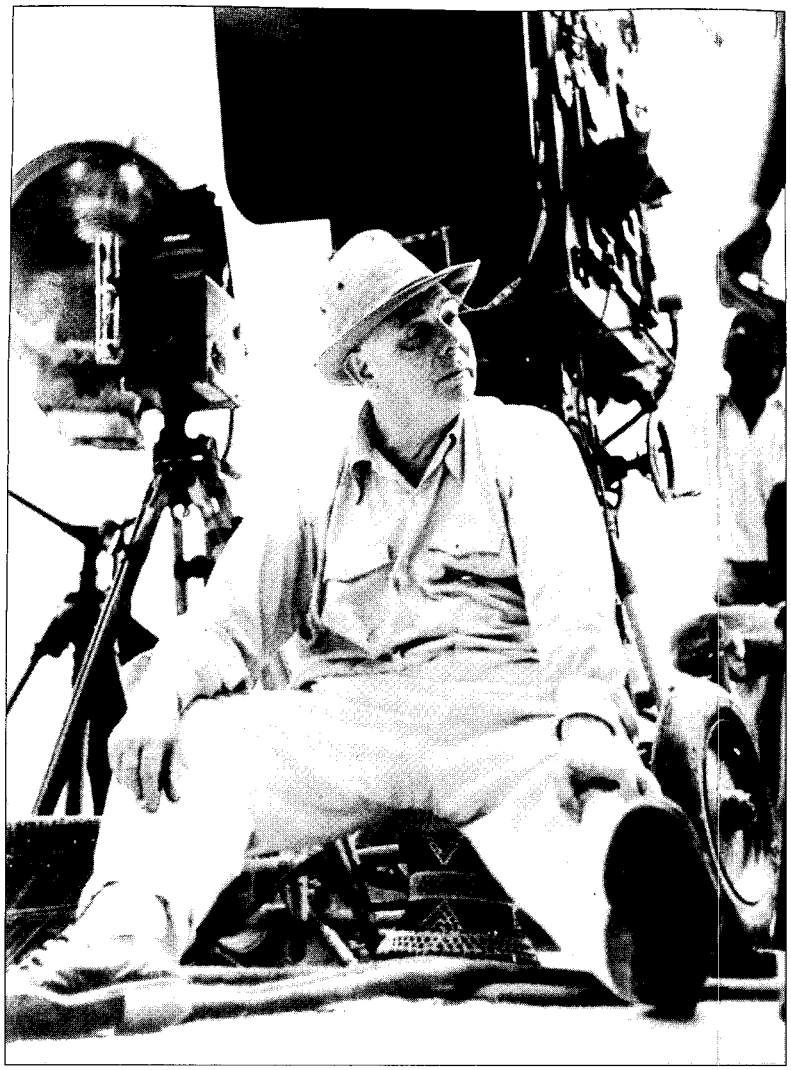
Cinematic protectionists often portray quotas and subsidies as culturally enlightened. In fact, cinematic regulation and subsidization came to France at the hands of the fascist regimes of World War II. Contemporary French film policies are a direct extension of France's wartime heritage.

From Fascism to Protectionism

Cinematic protectionists often portray quotas and subsidies as culturally enlightened. In fact, cinematic regulation and subsidization came to France at the hands of the fascist regimes of World War II. Contemporary French film policies are a direct extension of France's wartime heritage.

The laissez-faire environment of 1930s cinema was unpopular with many French filmmakers, who wanted the state to protect their interests. Protectionism was debated but, largely because of pressure from the Americans, never passed. Such policies were enacted only after France had lost her national independence. The collaborationist Vichy government developed quotas and subsidies as part of its program to restructure the French economy. French economic and cultural activities were now to serve the interests of the government, not the interests of consumers or artists.

In 1940, the Vichy government created the forerunner organizations to the modern French film bureaucracy. The primary organization, the COIC (Comité d'Organisation de l'Industrie Cinematographique), "rationalized" the French film industry and attempted to reverse the decline in profitability caused by



Hollywood, Here I Come: ***Grand Illusion*** **director Jean Renoir claimed to love Hollywood movies and to scorn French films. He sometimes went to see American movies three times a day, seven days a week, seeking inspiration. In the 1940s, he made a number of well-regarded movies in the United States, including** ***Diary of a Chambermaid, The Southerner,*** **and** ***This Land Is Mine.***

the war. The COIC established yearly quotas limiting the number of French films produced, and it required that all film financing be approved by the Vichy government. The quotas, combined with guaranteed financing for approved projects, virtually assured the profitability of French movies. The French government was allowed to finance up to 65 percent of cinematic projects that were deemed worthy by the COIC, usually at very low interest rates. At the same time, the Vichy government banned American movies. French movies suddenly held 85 percent of the local market, a level they were never to attain again.

The Vichy program of cinematic control was based explicitly on the model then used in Germany. State rationalization of industry was a centerpiece of Nazi ideology and economic policy.

While Vichy policies assured profitability, quality suffered. With financial support came censorship and restrictions. Filmmakers lost their autonomy, as they produced bland and predictable films to assure access to studios and financing. Vichy films were moralistic, conservative, and propagandistic; many dramatized such themes as respect for authority, the sanctity of the family, the corruption of city life, and the need to return to the country. Few of these productions have achieved any subsequent recognition. (The Vichy government also began a campaign against the cinematic masterpieces of the laissez-faire Golden Age, portraying them as effete and decadent. The supposed depravity of Golden Age films was sometimes even blamed for France's fall to the Germans.)

Vichy's regulations were justified on both ideological and economic grounds. The earlier practice of cinematic laissez faire was portrayed as financially unstable and irresponsible. At last, French filmmakers would have their chance to operate in an economically rational environment, without subjecting their fortunes to the unpredictable whims of the marketplace.

Occupied Screens

French cinema did produce masterpieces during the war, but not under the Vichy regime. Rather, the best works were produced in Nazi-occupied France. For reasons of their own, the Nazis allowed French filmmakers more artistic freedom than the Vichy government did. French film creativity blossomed despite the state, not because of it.

The Nazis' early cinematic policy flooded occupied France with German films dubbed into French. Even Vichy films were kept out, and many prewar French films were confiscated or destroyed. But French audiences did not enjoy most Nazi movies. Despite high initial attendance for these films, moviegoing petered out. Concerned about creating a discontented occupied populace, German authorities switched course. Nazi policy began to encourage French-produced films as both entertainment and pacification.

The Nazis even set up a new cinematic company, Continental Films. Its funds came ultimately from Joseph Goebbels's Ministry of Propaganda, but most Continental films were not explicitly political. As long as the company's productions did not directly threaten the Nazi ideology, it could operate unhindered. Unlike in Vichy France, Continental filmmakers were not required to adopt a patronizing, moralistic tone in their pictures.

These productions proved to be surprisingly popular and sophisticated. Joseph Goebbels himself was disturbed after viewing two Continental films; he feared that the new company might prove to be a powerful competitor to German films in overseas markets. The Germans nonetheless continued to tolerate and encourage French cinema. The Nazi "tolerance," however, was in no way benevolent but was based upon the Nazis' quest for cultural protectionism and imperialism.

The Germans saw the American film industry as a cultural threat to their quest for ultimate international hegemony. Nazi strategists decided to cultivate the French film industry as a

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counterweight to the growing American presence in world film markets. French movies were "fun" and "frothy," qualities that Nazi films lacked. The French had the most prestigious and most popular film productions in Europe, and the Nazis did not want to squander their newly captured asset.

Continental, as a German company, was not subject to Vichy controls or COIC regulations and quotas. French filmmakers preferred the artistic atmosphere of occupied France to that of Vichy, and by 1942 few French filmmakers were left in Vichy except for paid propagandists.

The occupation years became an amazingly fruitful era for French filmmaking. Directors Robert Bresson and Henri-Georges Clouzot started their careers during this period. Theatrical talents such as Jean Giraudoux and Jean Anouilh, and poet Jean Cocteau, turned their efforts to the cinema as well, often with notable success. The team of Marcel Carne and Jacques Prevert actually attempted to subvert the Nazi regime with such extraordinary allegorical period films as *Les Visiteurs du Soir* and the famous *Children of Paradise*, widely considered to be one of the greatest films ever made. "[F]ew, if any, periods of French film history," writes film expert Alan Williams, "have produced so many acknowledged masterpieces and near-masterpieces in so little time." That achievement is a tribute to French filmmakers who overcame the state authorities attempting to exploit them.

Normalizing Bureaucracy

After the Liberation, the French government decided to keep the cinematic institutions, and the system of regulation and subsidization, that had been set up by the Vichy government, with changes in emphasis only. The film institutions and regulations created by the Pétain regime were maintained intact. The COIC was converted into the CNC (Centre National de la Cinematographie) and given a new task. Rather than limiting the number of French films, the CNC was to help the French film industry battle Hollywood by limiting foreign films.

Moviemakers who had left France during the war were struck by the changed atmosphere they encountered upon their return. René Clair, one of France's leading prewar directors, was especially disillusioned. He contrasted "the atmosphere one breathes in our country with the freer air of America....For someone who has not seen France for five years, there can be no doubt that Nazism has left its mark on it. Yes, a country cannot live through fascist rule for so long without suffering in some way. For instance, I'm struck by the artificial barriers placed in the way of any activity. I can't accept that someone wanting to make a film should have to submit requests to so many authorities, who will refuse if he can't prove he's conformed to various arbitrary regulations."

French regulators maintained or extended many of the entry restrictions for French cinema. Legal rights of exclusion were granted to many unions. The technicians' union, for instance, was able to demand that no one could direct a film unless he had worked as assistant director on at least three previous features. Postwar French cinema was virtually closed to new entrants.

The postwar French government negotiated a quota agreement with the United States in an attempt to protect French filmmakers. The French government required cinemas to show 16 weeks of French movies a year. The Americans, who had feared more stringent restrictions, waived some of France's wartime debts in return for a quota that was perceived as lenient. The French have made these quotas progressively stricter.

Protection from the Protectionists

Protectionist governments are themselves responsible for many of the problems faced by their domestic moviemaking industry. Consider just a few of the burdens that the French government places upon its moviemakers.

Cinema taxes have been a staple throughout the history of French filmmaking, but lawmakers looked to such taxes with new interest after World War II. In the late 1950s, this tax reached as high as 48 percent of gross theatrical receipts. Cinema taxes were lowered in the 1970s with the introduction of the value added tax, but the tax still ranges from 17 percent to 19 percent, on top of the normal VAT rate of 14.5 percent, with an extra 4 percent for X-rated movies.

The French government imposes stringent import quotas on Japanese VCRs. These machines are especially expensive in France, and less common than in America or many other comparable European countries. Unlike their American counterparts, French filmmakers find it difficult to tap into the lucrative home viewing market.

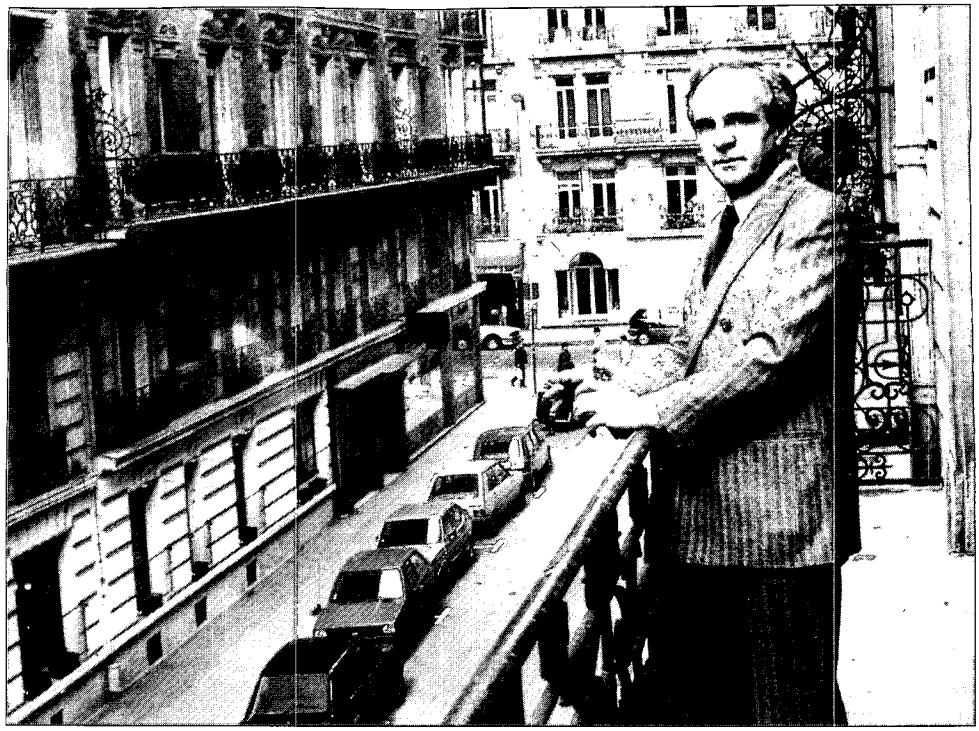
Restrictions on television have hurt French filmmakers even more. As in most countries, French TV funds cinema through the purchase of transmission rights; about 40 percent of French movie funding comes from TV. In 1980, the TV audience for movies exceeded the theatrical audience by a factor of nearly 24.

Despite the importance of TV, the French government has forced the cable TV market to grow slowly. Canal Plus, the French equivalent of HBO, is required to pay 18.5 percent of its pretax revenue to subsidize the movie industry. In return, the channel receives the right to carry French films, but filmmakers receive the money from Canal regardless of whether their films attract viewers.

If the United States had embraced cultural protectionism, Hollywood would never have achieved its artistic richness and commercial strength. Just as French filmmakers have borrowed from America, so have the Americans drawn much from Europe.

New technologies are presenting protectionists with a major challenge. European governments have thus far succeeded in regulating the content of network programming and in ensuring that 50 percent is of European origin. But satellite and cable systems, with 100 or more choices, will break down the effectiveness of quotas. Either the quotas or the new technologies will have to go.

Cable systems will bring in even more American television. Even if 51 of 100 channels are of European origin, the other 49 might command most of the viewing attention. National content restrictions can steer viewing habits only when the menu of choice is extremely limited. The French government, well aware of this fact, has prevented many services (including the Cartoon Network) from being carried over French cable. Satellite systems will have an even more subversive effect on national origin quotas: Dish antennas allow viewers to capture television signals from anywhere in the world.



Shoot the Protectionists: François Truffaut (*Jules and Jim, The 400 Blows, Shoot the Piano Player*) was influenced by Alfred Hitchcock's Hollywood films. French cinema has never seen a culturally pure, Gallic product. Throughout the world, the best directors are avid students of film as a cosmopolitan art that transcends national boundaries.

Cultural protectionists are thus faced with a dilemma. If the new technologies are allowed, national origin quotas will rapidly become ineffective and eventually become irrelevant altogether. If the new technologies are kept out, television and movie markets in the regulated country will become even more insulated and even less competitive in world markets. The scope of required protection will increase, and viewers will receive an even weaker product.

The reason is that quotas, like subsidies, often harm filmmaking. Quota arrangements, whenever they have been in place, have encouraged the hasty production of low-quality films to meet the quota. Such "quota quickies" have been produced in Canada, Great Britain, France, and Brazil, whenever those countries embraced film protectionism. Quota quickies employ formulaic, low-budget treatments of sex and violence, and encourage the domestic industry to adopt the worst tendencies of American moviemaking. Ironically, the profits from quota quickies are often reaped by the American financiers who put up the money, sometimes through French subsidiaries.

The criteria for awarding subsidies have harmed film quality. Prior to 1953, French governmental subsidies were based upon receipts from a producer's previous films. This system cemented the position of insiders at the expense of new industry entrants. The growing mediocrity of movies was recognized, which led to reform.

The French now claim to subsidize movies on the grounds of artistic merit, rather than attempting to pick the money-making ventures. In 1953, legislation dictated that the French government could subsidize films based only on quality. While the tremendously successful New Wave movement was probably encouraged by subsidies, the program appears to have resulted in decades of diminishing returns.

The interest-free loans offered by the government also damaged cinematic quality. The loans must be repaid only if and when the project turns a suitable profit. This policy lowers the incentives for making a successful film.

Furthermore, European film subsidies frequently end up in the pockets of American moviemakers, who set up joint production ventures with European companies. A given film may be nominally European, but much of the capital comes from the American company, which captures much of the subsidy's value. Even the "European" company is often a foreign subsidiary of an American one. One such classic "foreign" film, *Last Tango in Paris*, was made by United Artists in combination with a French subsidiary and an Italian company. Through suitably complex international arrangements, American producers can collect subsidies from as many as three European governments; these subsidies may cover up to 80 percent of a film's cost. The result is that European taxpayers end up underwriting poorly scripted films they don't want to see, with American companies reaping most of the financial benefits, and all in the name of European culture.

What Quota? Which Art?

The French government does not stipulate that symphony performances represent a certain percentage of native-born composers. In nearly every country in the world, native composers

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are underrepresented at the expense of the Germans and the Austrians. Yet who complains that cultural diversity is threatened by Germanic specialization and excellence? Cultural or national quotas for symphonies would do little to produce a French equivalent of Beethoven.

Yet the French government requires radio stations for popular music to play at least 40 percent French music. "How could anyone find the idea that two songs out of five should be French excessive?" asked one French official. "Without such measures our culture will be homogenized." To protect diversity, the French even established an official cultural office for native rock 'n' roll, although the project was subsequently abandoned.

Cultural protectionists concentrate on "popular culture," precisely the area where American artists have enjoyed phenomenal successes and where European producers are in greatest need of exposure. French consumers are pointing out an underlying inadequacy in contemporary French culture. The protectionists resent this inadequacy, just as many Americans resent the high culture and supposed snobbishness of the Parisians. In both cases envy and insecurity are at work.

Advocates of cultural protectionism often portray consumer sovereignty as a myth. According to this view, oligopolistic American distributors create demand for their movies through advertising. The sheepish public, in turn, responds passively to whatever is offered.

If this view were correct, supporting European cinema would be easy. The government need not subsidize filmmaking, or even place limits on American film imports. All the government need do is subsidize advertising for native films, or perhaps restrict advertising for American movies. But such policies obviously would not work. It is the European movies that fail to draw customers, not the European advertising campaigns.

When European audiences do not like the content of American products, they have proven remarkably resistant to them, no matter how heavy the marketing. Few American exports to Europe have been supported by as much hype and advance publicity as EuroDisney. One fearful critic called the park "a terrifying step towards world homogenization." Yet when EuroDisney opened, the French didn't like it. French culture has so far survived.

The Other Side of Protectionism

If the United States had embraced cultural protectionism, Hollywood would never have achieved its artistic richness and commercial strength. Just as French filmmakers have borrowed from America, so have the Americans drawn much from Europe. Jean Renoir, for example, made some of his best movies in Hollywood. Last year, Renoir's countryman Luc Besson (*La Femme Nikita*) followed in his footsteps to direct *The Fifth Element*. Alfred Hitchcock, Fritz Lang, Billy Wilder, and Ernst Lubitsch are among many European emigrés who brought enriching ideas and techniques to the United States.

American film technique owes much to French filmmaking. The visual presentation of *Schindler's List*, for example, would have been inconceivable without Spielberg's knowledge of European cinematography. The best American directors, like their European counterparts, are avid students of film as a cosmopolitan art that transcends national boundaries.

The Americans have drawn more than ideas from the French film market. Hollywood even drew some of its early capital from French products. In 1912, Adolph Zukor paid $35,000 for the rights to the French movie *La Reine Elizabeth*, an astonishing sum of money at that time. The movie was a huge hit in America, and Zukor used his profits to start Paramount Pictures.

Film finance has become increasingly global. Many so-called Hollywood products are financed from abroad. *The Last Emperor* and *Dances With Wolves*, for instance, both relied on British capital. French films are not uncompetitive because they lack the financial resources of Hollywood; rather, they lack financial resources because they are uncompetitive. During the Golden Age of the 1930s, German, English, and American capital flowed into French films.

Today, the European and French markets help support diversity in Hollywood. Some of the most interesting and creative American filmmakers—Woody Allen, for example—rarely produce domestic blockbusters. Their films are financially viable because they receive fan appreciation and critical recognition abroad. By supporting these directors, Europe helps improve Hollywood, benefiting both American and European audiences.

Quotas on American movies hurt independent filmmakers far more than they hurt big commercial directors; if European cinemas can show only a limited number of foreign films, they will cut a new film by Woody Allen or Jim Jarmusch before they cut *Titanic*. Thus, European quotas make it harder for independents to finance their films. Quotas in even a single country decrease diversity in film markets around the world.

Quotas on American movies hurt independent filmmakers far more than they hurt big commercial directors; if European cinemas can show only a limited number of foreign films, they will cut a new film by Woody Allen or Jim Jarmusch before they cut *Titanic*.

No government can legislate artistic success. Film culture, like all culture, is dynamic. It isn't protection that it needs; it is stimulation. Without it, the form atrophies. If Europeans treat their films as weak, those films will become permanently weak.

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Poetic Licentiousness

What does the president see in *Leaves of Grass*?

By Nick Gillespie

You can't judge a book by its cover, but can you judge a man by the books he gives to his, er, inamoratas? That's a question raised by accounts that one of the gifts President Clinton gave to former White House intern Monica Lewinsky was a copy of Walt Whitman's *Leaves of Grass*. As *Newsweek* reported, Clinton had "also happened to give Hillary [a copy] when they were courting."

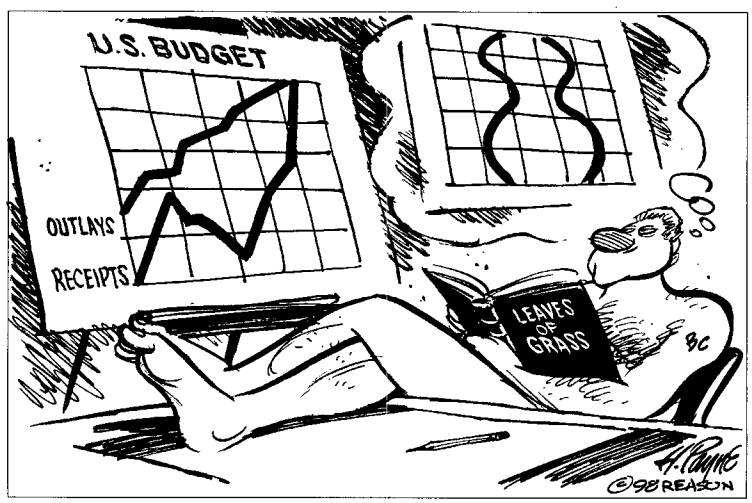
Such consistency over the decades is hardly surprising: Seduction is a trial-and-error process, and smooth operators tend to stick with what works. (Casanovas also possess the ability to make the object of their affections believe she is being given intensely, uniquely individual attention—which explains why, in some accounts, the first lady burst into tears upon hearing the news that Bill had given another the same book.)

Anyone familiar with *Leaves of Grass* can understand why the president might deploy it in his romantic intrigues. An undeniably great work of literature, Whitman's poem celebrating "the procreant urge of the world," "unspeakable passionate love," and "blind loving wrestling touch" simultaneously exudes a touch of class and raw sex appeal. Like Ravel's *Bolero* and Botticelli's *Birth of Venus*, it has long been a high-end aphrodisiac.

Serious artistic merit and redeeming social value aside, passages such as, "[Y]ou settled your head athwart my hips and gently turn'd over upon me, / And parted the shirt from my bosom-bone, and plunged your / tongue to my bare-stript heart, / And reach'd till you felt my beard, and reach'd till you held my feet," whisper to prurient interests. (Not for nothing was an 1881 edition banned). Even, or perhaps especially, when the meaning is opaque—"Who goes there? hankering, gross, mystical, nude; / How is it I extract strength from the beef I eat?"—smutty inferences are nearly irresistible.

Certainly, knowing of the president's longstanding fondness for *Leaves of Grass* adds a new dimension to the poem, which takes the form of "journeys through the states," starting from Whitman's birthplace in Long Island and fanning out throughout the rest of the country. Although first published in 1855, *Leaves of Grass* seems every bit as much a *roman à clef* as *Primary Colors*.

Indeed, it's hard not to picture Clinton when reading lines such as, "Daughter of the lands did you wait for your poet? / Did you wait for one with a flowing mouth and indicative hand?" and "I merely stir, press, feel with my fingers, and am happy, / To touch my person to some one else's is about as much as I can / stand." Or this: "Undrape! you are not guilty to me, nor stale nor discarded, / I see through the broadcloth and gingham whether or no, / And am around, tenacious, acquisitive, tireless, and cannot / be shaken away." Even the narrator's self-description—"Turbulent, fleshy, sensual, eating, drinking and breeding"—calls to mind the current commander-in-chief.



HENRY PAYNE

But the significance of Clinton's choice in gifts goes beyond corroborating apparent presidential priapism. The correspondences hold up in more political terms, too.

The narrator empathizes with people in a way that provocatively anticipates Clinton's famous evocation of feeling our pain: "Agonies are one of my changes of garments, / I do not ask the wounded person how he feels, I myself become / the wounded person." The poem's expansive and insistent gestures toward all people—"Of every hue and caste am I, of every rank and religion, / A farmer, mechanic, artist, gentleman, sailor, quaker, / Prisoner, fancy-man, rowdy, lawyer, physician, priest"—similarly seem torn from Clinton speeches. And the signature line, "Do I contradict? / Very well then I contradict myself," pretty fairly sums up the president's modus operandi, whether the topic is gays in the military or conflicting accounts of his relationship with chanteuse and former Arkansas state employee Gennifer Flowers.

A joyous, exuberant poem, *Leaves of Grass* depicts the country as a blur of energy and activity, a sort of perpetual, all-inclusive orgy among citizens. It famously hears "America singing, the varied carols" of workmen and "The delicious singing of the mother, or of the young wife at work, / or of the girl sewing or washing, / Each singing what belongs to him or her and to none else, / The day what belongs to the day—at night the party of young fellows, robust, friendly, / Singing with open mouths their strong melodious songs."

There's work to be done, but also ample time for "a few light kisses, a few em-

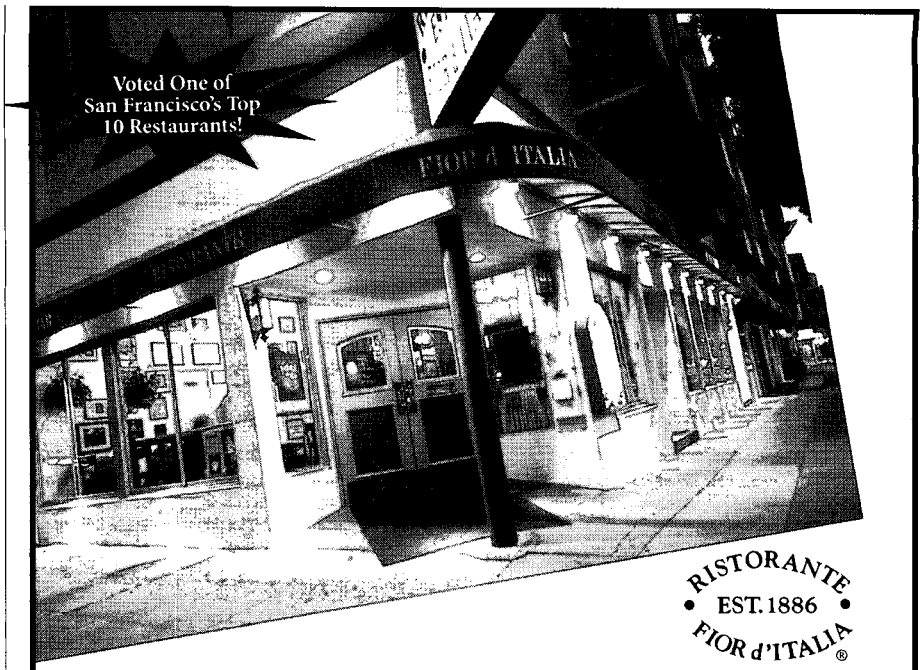
braces, a reaching around of arms." It's a world filled with naked bodies, hugging bodies, and bodies rubbing up against one another. Democracy is itself seen in erotic terms, and the narrator is constantly becoming one with the body politic: "I will go to the bank by the wood and become undisguised and / naked, / I am mad for it to be in contact with me."

Of course, it's one thing for a poet to envision himself having socio-sexual intercourse with the American people. When Whitman writes, "In me the caresser of life wherever moving, backward as well as / forward sluing, / To niches aside and junior bending, not a person or object missing, / Absorbing all to myself," it is a thrilling act of poetic and political solidarity. When an elected official evinces a similar mindset, it becomes downright disturbing, and suggests a final parallel with *Leaves of Grass*'s White House disseminator.

As Paula Jones or Kathleen Willey might ask, at what point does a proposition or an embrace become a kind of stranglehold, a means of control and coercion, rather than a consensual coupling? Whitman himself hints at the dark, dystopic potential in his conception of America, where romance can turn closer to rape: "On all sides prurient provokers stiffening my limbs, / Straining the udder of my heart for its withheld drip, / Behaving licentious toward me, taking no denial, / Depriving me of my best as for a purpose, / Unbuttoning my clothes."

While such a passage calls to mind Jones's and Willey's stories of unwanted Clintonian misconduct, it is also reminiscent of such public policy initiatives as the failed national health care system (from which no one would have been allowed to opt out) and the ongoing "dialogue" on race (which got off to an inauspicious start when the president tried to bully dissenters into line). Here, too, perhaps, *Leaves of Grass* is a gift that says more than intended: "Resist / much, obey little, / Once unquestioning obedience, once fully enslaved, / Once fully enslaved, no nation, state, city of this earth, ever after- / ward resumes its liberty."

Nick Gillespie (gillespie@reason.com), a REASON *senior editor, is an admirer of Whitman's "barbaric yawp."*



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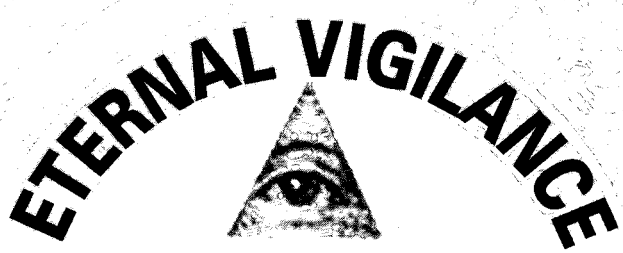

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Jacobean Tragedy

The gross misinterpretation of an intellectual icon

By Jesse Walker

Chattanooga is to urban planners what Cuba was to the '60s left: a junket, a model, and something likely to embarrass them 20 years later. The Tennessee town has become the Shangri-La of the sustainable development movement, that fractious coalition of policy makers, activists, and executives who hope to cure a host of ecological crises, real and imaginary, with more planning, more management, and more buzzwords. Foreign officials come calling, from Shanghai, Stockholm, Prague. Praise descends from the United Nations, federal agencies, and the *Utne Reader* (which recently named Chattanooga "one of the ten most enlightened towns in America"). With the possible exception of Portland, Oregon, Chattanooga is the Sustainables' favorite American city.

Now it plans to build an "eco-industrial park," an initiative it promises "will connect both industrial and non-industrial companies in a series of waste-becomes-raw-material feedback loops that will save money by keeping the material flows and energy flows within an industrial metabolism, rather than releasing waste into the environment." The President's Council on Sustainable Development has issued a grant to help build the park, and the city fathers rarely miss an opportunity to plug the project. It's a more moderate, mainstream version of environmental guru Herman Daly's "steady-state economy," defined as a "constant level of stocks maintained by minimal throughput of flows." That means you reuse almost all your waste and strictly limit growth.

Flash back three decades. In 1969, urbanologist Jane Jacobs suggested that recycling might become a solution to pollution. Cities, she wrote, are potential junk mines, waiting for entrepreneurs to extract useful material from household trash, industrial waste, even smokestacks. She devoted several pages of her classic *The Economy of Cities* to this idea, describing several ways one might transform waste into wealth. The cities of the future, she wrote, may "become huge, rich and diverse mines of raw materials. These mines will differ from any now to be found because they will become richer the more and the longer they are exploited."

On a superficial level, it sounds like the Chattanooga project. But it's very different. And the distinctions between the two show a lot of what's wrong with the sustainable development movement. They also show how seriously some Sustainables have misappropriated Jacobs's work.

Jane Jacobs expects chance and entrepreneurship to produce progress. The Sustainables seem surprised when they do. Jacobs distrusts planners. The Sustainables want more planning. Yet they see themselves as her disciples.

Jacobs is probably our greatest student of how cities work, how they grow, and how they die. Her *The Death and Life of Great American Cities* (1961) is one of the great books of the century—a book that undermined the idea that cities should be works of art, designed by enlightened planner-architects, insisting instead that they were living systems best understood from the ground, not the air. The book's success launched her first into activism, fighting to save her Greenwich Village home from the urban planners, and then into Toronto, a city whose leaders proved more sympathetic to her ideas. She also continued to write, deepening her study of city life and society.

One of her most important insights, enunciated in *The Economy of Cities*, is the way new work grows out of old: not by plan, as too many social engineers have assumed, and not by ever-finer division of labor, as Adam Smith asserted, but by serendipity. First, work is divided into smaller tasks, à la Smith, and then someone discovers that one of those smaller processes has other uses. The old enterprise then reinvents itself, or else someone breaks away from it to start a new operation. In this way, a sand mining company (3M) began to develop new forms of adhesive tape; a dress maker (Ida Rosenthal) invented, and turned to manufacturing, the brassiere; and—not an example of innovation, but an illustration of the same principle—many Japanese bicycle repair shops gradually moved into bicycle manufacturing.

Jacobs expected recycling to develop this way. To the extent that it's a viable concern, it has. (Think of the scrap industry, or of the savings glass manufacturers have realized from using recycled content.) Contrast that process with these words from business writer Paul Hawken's 1993 book *The Ecology of Commerce*—a passage the Chattanooga Chamber of Commerce saw fit to quote in a portfolio sent to journalists interested in its eco-industrial park: "A prototype of industrial ecology and cooperation is in place right now in Kalundborg, Denmark. In Kalundborg, a coal-fired plant, an oil refinery, a pharmaceutical company specializing in biotechnology, a sheetrock plant, concrete producers, a producer of sulfuric acid, the municipal heating authority, a fish farm, some greenhouses, local farms and other enterprises work cooperatively together....This synergy is remarkable because it happened 'spontaneously,' without governmental regulation or law as the prime motivating factor, and because some of the relationships between outputs and inputs were serendipitous or unplanned at the outset."

Here's the kicker: "Imagine what a team of designers could come up with if they were to start from scratch, locating and specifying industries and factories that had

potentially synergistic and symbiotic relationships."

Jacobs expects chance and entrepreneurship to produce progress. Hawken seems surprised when they do. Jacobs distrusts planners. Hawken, in this passage, does not. Of course, it makes sense to expect industries to imitate success, the serendipity of the past giving way to the deliberate design of the present. And it makes sense for companies that might want to use one another's waste to plan their proximity to one another in advance. But that sort of decentralized, contractual imitation of what works elsewhere differs considerably from the plan the Chattanoogans are proposing. The latter is a demonstration project, not a living economy; government planners dreamed it up, and it will be financed, in large part, by federal dollars.

Companies still will make money off it, of course. How could they not? The risk will be socialized and the profits privatized; the industries will be serving not customers but an ideological agenda. (And a civic agenda. Chattanooga has been trying to reposition itself as an "environmental city" for years, hoping to draw in tourists and fat federal grants.) Small wonder sustainability is becoming a corporate buzzword: You don't have to buy Daly's crank economics to make some easy dough off his rhetoric.

Thankfully, most of us have little direct contact with raw industrial waste. When we think of recycling, we think of our domestic trash—and, perhaps, of a local compulsory recycling law. Such laws are just as misguided as Chattanooga's eco-industrial park, and for much the same reason. The value of the activity takes a back seat to its symbolism; planners forget that the recycling process also uses energy and sometimes is more wasteful than simply throwing things away. So separating trash becomes a sort of religious ritual, a tiresome procedure that citizens are put through (or environmental aesthetes put themselves through) to prove their fealty to Mother Earth, whether or not they're doing her any favors.

Contrast that with another passage from *The Economy of Cities,* describing a hapless household trying to recycle its junk: "Imagine that one serviceman calls who is interested only in old metal, another who is interested in waste paper, another in garbage, another in discarded wool furniture, another in used-up plastics, another who wants old books (but only if their bindings have gilt letters; another serviceman is interested in the others), and so on. A family would be driven crazy by this traffic, let alone by the necessity of separating and storing for various intervals the various wastes."

Jacobs did not then propose that the family be forced to separate its trash. Indeed, she implied that this would defeat the purpose of the enterprise. "The aim must be to get all the wastes possible into the system—not only those that are already valuable at a given stage of development, but also those that are not yet useful but may become so," she writes. "A type of work that does not now exist is thus necessary: services that collect all wastes, not for shunting into incinerators or gulches, but for distributing to various primary specialists from whom the materials will go to converters or reusers."

The Sustainables have romanticized Jacobs's vision, bastardizing her empirical observations of how cities work into a formula they want to impose on cities, suburbs, and small towns. Their vision is static, stagnant, and statist, everything that Jacobs's is not.

An interesting idea. But trying it means allowing the new work to grow from the old work. That cannot happen if garbage collection is socialized, or if the government contracts with a single private company to do the job. It *can* happen if households hire people to haul away their refuse. At first, the private haulers might give the garbage to landfills; as opportunities to sell different sorts of trash develop, they'd diversify, much as homeless people collect cans for profit in places with deposit law. Except, of course, that the trash collectors would be responding to an actual market incentive, not one jerry-rigged by the state.

If recycling technology advances far enough, the haulers may find themselves paying for the garbage they collect, rather than getting paid to collect it. But even when opportunities to sell trash don't arise, there can still be a solid incentive to recycle: As landfill space grows scarce, limited by geography or by popular opposition, it will grow more expensive to dispose of trash. In some communities, this has already happened. In others, it hasn't, and that's fine; it just means recycling isn't necessary. There's nothing wrong with that. We're talking about a means of waste disposal, not a moral imperative.

So Jacobs's vision is open-ended and dynamic. The Sustainables, meanwhile, dream of closed systems. Jacobs thinks progress comes from small enterprises making incremental changes, with a healthy dose of trial and error. The Sustainables think it derives from design. In a Jacobean world, businesses make money by meeting consumers' needs. Under sustainable development, they follow government incentives, jump for federal subsidies, and participate in "public-private partnerships." Writes Jacobs, "Cities that take the lead in reclaiming their own wastes will have high rates of related development work; that is, many local firms will manufacture the necessary gathering and processing equipment and will export it to other cities and to towns." The sustainable agenda has no room for that kind of fluid, messy, uncontrolled, spontaneous growth.

The funny thing is, a lot of Sustainables think they're following in Jacobs's footsteps. Many of them read her damning indictment of city planners in *The Death and Life of Great American Cities*; many embraced its powerful assault on the freeway projects and urban renewal schemes that were wiping out living neighborhoods and replacing them with concrete.

Agreeing that those projects were awful, they added Jacobs to their pantheon—and proceeded to dream up a more "sustainable" set of transit projects and redevelopment plans. If it was wrong to wipe out high-density districts, they figured, they should go out to the suburbs and try to force high densities on a population that doesn't want them, in an economic landscape where they're inappropriate. If it was wrong to push freeways into pedestrian-friendly neighborhoods, they should

try to herd people into expensive, unpopular mass-transit systems. (They certainly wouldn't follow Jacobs's recent advice and allow jitneys to proliferate.)

You think I'm exaggerating? I've just described the official urban growth policies of Portland, Oregon, where more than a few municipal officials claim Jacobs as a forebear. Last year in Toronto, at a gathering held in Jacobs's honor, Brian Scott of the environmental group Livable Oregon repeated something a city hall worker once told him: "A lot of us got tired of protesting the Vietnam War, read Jane Jacobs, and decided to take over Portland." Evidently, they didn't read very carefully.

The Sustainables' grossest misuse of Jacobs may be their approach to metropolitan government. They read Jacobs's principle, enunciated in 1984's *Cities and the Wealth of Nations*, that the most important economic unit is the city-anchored region, not the nation-state. Somehow, they interpreted this as an endorsement of regional governance—of creating governing superstructures able to override, and ideally eliminate, the competing jurisdictions that make up most metropolitan regions. Portland gave more and more planning power to a shadowy tri-county authority called Metro. Chattanooga merged its school system with that of the surrounding county, and has made noises about further consolidating the city and county governments. Whether or not those governments pointed to Jacobs as their inspiration, their boosters—such as columnist Neal Peirce, co-author of *Citistates*—somehow did.

But Jacobs has long believed government should be as local and as limited as possible, and has denounced regionalism as unworkable and undemocratic. "The voters sensibly decline to federate into a system where bigness means local helplessness, ruthless, oversimplified planning, and administrative chaos—for that is just what municipal bigness means today," she wrote in *Death and Life*. "How is helplessness against 'conquering' planners an improvement over no planning? How is bigger administration, with labyrinths nobody can comprehend or navigate, an improvement over crazy-quilt township and suburban governments?" Last year, when Ontario wanted Toronto to merge with its environs into a giant, New York–style megalopolis, she was one of the plan's angriest opponents, at one point suggesting the city consider seceding from the province. "Separating power and responsibility doesn't make sense," she explained to a TV interviewer. The Sustainables would do well to listen.

But they won't. To the extent that they have digested Jacobs, they have romanticized her vision, bastardizing her empirical observations of how cities work into a formula they want to impose not just on cities but on suburbs and small towns as well. More often, however, they simply have not digested her at all. And it shows. Their vision is static, stagnant, and statist, everything that Jacobs's is not. The result will soon be on display in Chattanooga.

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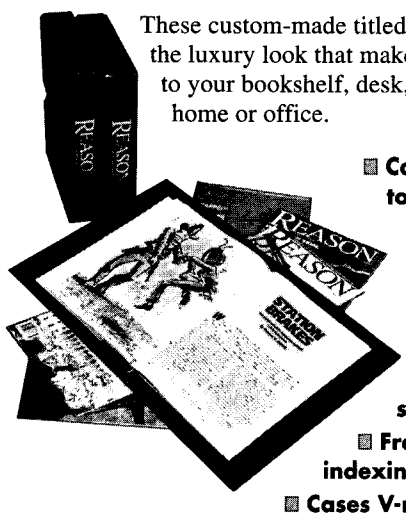

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Plane Deal

Small airlines—and a few politicians—try to again put Washington behind the ticket counter.

By Carolyn Lochhead

If you had booked a last-minute flight from Los Angeles to Denver on United Airlines last February, it would have cost you $622. But on the same day, you could have booked the same flight on Frontier Airlines, which was trying to lure passengers away from United, and spent only $189, saving yourself 70 percent.

It's been 20 years since Jimmy Carter deregulated the airline industry, and by any measure the experiment has been a huge success. Since 1978, fares have dropped by 40 percent in real terms, while the number of flights has increased by 50 percent. Passenger boardings have soared, from 275 million to 581 million. Jet travel, once limited to those with expense accounts or a lot of money, has become accessible to ordinary people. Consumers have saved billions of dollars.

Naturally, the federal government is preparing to intervene. Small airlines like Frontier, which fear that the large carriers are using unfair practices to crush them, and business travelers, who pay high fares when they book flights at the last minute, want to put Washington back behind the ticket counter. The Justice Department, the Transportation Department, and the chairman of the Senate Commerce Committee all appear to agree that a renewed federal presence is warranted there.

With the recently announced proposals by six of the nation's biggest airlines to consolidate their marketing operations, a regulatory crackdown on airlines—building in Washington for months—is now a certainty. The only remaining question about reregulation is what form it will take—and whether federal intervention will help or make matters worse.

The proposed marketing consolidations announced in April between Delta and United (the nation's biggest carrier), and between American and USAirways, stop short of outright mergers. But like the similar proposed agreement announced last January between Northwest and Continental, these marketing partnerships would involve sharing passengers and frequent flier programs, and achieve much the same results that mergers would.

What's the problem? Government officials contend that the big carriers have entrenched themselves at "fortress hubs" —United in Denver, Northwest in Detroit and Minneapolis, and Delta in Atlanta—where they dominate 80 percent or more of all flights. From these hubs, critics say, the big airlines can attack anyone who dares enter "their" airports to compete. The big airlines can flood the routes of upstart rivals with rock-bottom fares—but just long enough to kill the intruder. After that, the big airlines can jack up their prices again.

Even the architect of deregulation, economist Alfred Kahn, believes that airline monopolies now are driving out competitors with unfair practices. After a big carrier destroys a competitor, Kahn says, "it puts up a no trespassing sign" that scares off any potential new ones. The number of new carriers has dropped sharply.

Such "predatory pricing," officials say, has caused business fares (typically booked at the last minute) to soar, low-cost airlines to disappear, and small cities, especially in the Southeast, to lose service. Critics, including government officials, representatives of smaller airlines, and some economists, claim that unless the new ticketing and marketing arrangements are stopped by federal intervention, the major airlines and their hubs will become ever more forbidding to competition.

Even the architect of deregulation, economist Alfred Kahn, believes that airline monopolies now are driving out competitors with unfair practices. After a big carrier destroys a competitor, Kahn says, "it puts up a no trespassing sign" that scares off any potential new ones. The number of new carriers has dropped sharply since peaking in the mid-1980s, he notes. Kahn and many other airline deregulators assumed in 1978 that the government would prevent direct competitors such as Republic and Northwest, and TWA and Ozark, from merging. But it didn't.

Critics of the airlines point to other competitive problems. One is that hub dominance is reinforced by such marketing strategies as frequent flier programs and special commissions to travel agents. Another involves the bottlenecks at airports left over from the pre-1978 regulatory regime: At many airports, airlines hold exclusive-use gate leases for as long as 20 years, effectively locking out competitors.

A further complicating factor is that the federal government restricts entry to four highly congested airports—Chicago's O'Hare, Washington National, and New York's LaGuardia and Kennedy. The number of landings and takeoffs, known as "slots," was fixed in 1969 and awarded to a handful of major carriers. Despite two modest expansions of these slots since then, it has remained nearly impossible for competing airlines to fly into those four airports.

There is a trade-off in the hub-based flight system. While it fosters airline dominance at certain airports, it has proven extremely efficient. By routing passengers through a connecting hub, airlines have

been able to slash costs and vastly increase the number of flights available to travelers, especially in smaller cities. The challenge facing would-be reregulators is how to aid small airlines without hurting passengers.

The government may end up undoing the benefits of deregulation, prompted by small airlines screaming foul. Frontier Vice Chairman Paul Dempsey told Congress in March that United is on a "homicidal mission" to eliminate his airline. This sort of rhetoric has caught the attention of politicians, and federal action is possible on several fronts:

■ The Justice Department this spring opened an antitrust investigation of possible "predatory pricing" by big airlines. The department will also be investigating the Delta–United and American–USAirways alliances.

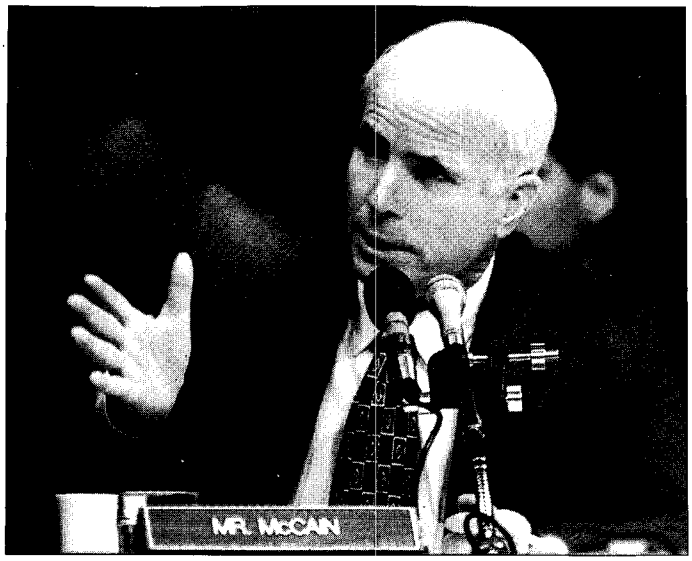
■ The Transportation Department has issued proposed rules calling for steep fines against any airline engaging in predatory pricing, although for legal reasons it does not use that term.

■ The DOT also granted slot exemptions at Chicago's O'Hare airport and New York's LaGuardia to six small carriers.

■ Arizona Republican John McCain, chairman of the Senate Commerce Committee, introduced a bill to sell off landing slots at the four federally restricted airports. These slots would be available only to start-up or low-fare airlines, and only if they use the slots for flights to "underserved" destinations. McCain would also require the Transportation Department to act on predatory pricing complaints within 60 days. A similar bill has been introduced by House Democrats.

■ Two Tennessee Republicans, Rep. John Duncan, chairman of the House Aviation Subcommittee, and Sen. Bill Frist, have introduced a similar bill that would guarantee aircraft loans to airlines serving "underserved" airports. It would also give $10 million a year to help small airports market themselves.

The Transportation Department's proposals identify several actions that would trigger government intervention: if a carrier offered "very low fares" that return less revenue to the airline than "a reasonable alternative response," for example. The department's rules would also prohibit an established carrier from selling more seats at low fares than a competing carrier offers. But the department does not attempt to define such key terms as "very low fares" or "reasonable alternative response." Many analysts believe the rules are so vague as to be unenforceable.



McCain Mutiny: The Arizona senator says he is "amused" by charges that his bill would reregulate the airlines. "The whole purpose of our bill is to increase competition," he says.

AP / WIDE WORLD PHOTO

Does the airline industry need such federal fixes? Some economists think so. Irwin Steltzer, head of regulatory policy for the American Enterprise Institute, says, "[T]here is something called predation out there, no matter what the Chicago economists tell you. The major airlines are capable of it, and [the Transportation Department proposals], while not easy to apply, certainly make sense."

Others are not so sure. Michael Boyd, a Denver aviation consultant, agrees that the big airlines engage in predatory pricing (and even uses that term), but warns that the proposed remedies, "aside from making....Transportation look foolish, will do very little." In fact, he says, most of the proposals will end up raising fares and reducing flight availability.

The major airlines vow a fight. "All of these in some form or another are attempts at reregulating the pricing structure of the industry," says David Fuscus, spokesman for the Air Transport Association, an industry trade group.

Transportation Secretary Rodney Slater denies that. "This is not an effort to reregulate commercial aviation" he says, but rather an effort to preserve competition.

Whether the Transportation Department's proposed rules "preserve competition" or are "attempts at reregulating" may turn on the issue of fare competition. Industry experts say that the rules could actually prohibit fare wars. If an established airline meets a competitor's fares on too many seats, the airline would be fined by the government. "The way those rules are written," says consultant Boyd, "immediately Northwest is guilty of predatory actions because it has more seats than the smaller carrier does at low fares. That's anti-consumer."

Jim Burnley, a former secretary of transportation whose law firm represents American Airlines, adds, "The most amazing thing of all is they're going to use administrative law judges to investigate airlines for setting low fares. There is something very wrong with that scenario."

By design the rules would shield new airlines from competition, critics say, probably leading to higher, not lower, fares. "This is a fare-floor proposal," says Northeastern University economist Stephen Morrison. "The problem is, can you fix what looks to be broken without breaking what is not broken?"

The Supreme Court thinks not. "The mechanism by which a firm engages in predatory pricing—lowering prices—is the same mechanism by which a firm stimulates competition," the Court wrote in 1986. Unsuccessful predatory pricing—fare wars that do not drive out competitors—are "a boon to consumers," the Court said, and the government must be very careful not to "chill the very conduct the antitrust laws are designed to protect."

McCain's bill is subject to similar charges of reregulation. The Arizona senator says he is "amused" by charges that his bill would reregulate the airlines. "The

whole purpose of our bill is to increase competition," he says.

But critics say his legislation could also backfire. "Senator McCain might want to learn about the airline business before he starts to try to fix it," Boyd says.

The problem with the McCain legislation is that selling slots will mean taking them away from existing routes that are popular and profitable—say, from Syracuse to New York City—and awarding them instead to less popular routes—say, from Knoxville to New York—that most likely cannot generate the revenue that the low-cost airlines will need to stay in business. One result could be reduced access to four of the most popular airports in the country. Moreover, the new flights from supposedly "underserved" cities will not connect to anywhere else.

"For all those folks in Dickinson, North Dakota, who have a hankering to visit Queens, this bill is a godsend," Boyd told Congress. Boyd also predicts that defining "underserved" will create "a field day for paid consultants and politicians at cities that can barely support a 7-Eleven, let alone jet service."

Giving away extra slots, as the Transportation Department is doing with its slot exemption program at the busy airports, is not necessarily a viable alternative. Members of Congress are already complaining about the potential for more noise and pollution at these airports.

As far as underserved airports go, even the Transportation Department concedes that they are underserved primarily because there is not enough traffic to justify jet service. Moreover, the market is already responding, without government subsidies, by producing small regional jets that are economical to fly on low-traffic routes.

The federal government doesn't seem to be able to make up its mind about airlines. The new initiatives are "symptomatic of the [failure] of policy makers to take a long-run view of this industry," says Clifford Winston, a Brookings Institution economist. Fewer than five years ago, Winston notes, the Clinton administration worried that the big airlines were going broke and appointed a commission to figure out how to help them. The commission recommended, Winston said, "a financial advisory board to advise the carriers about how to run their business."

The government is probably experiencing a mood swing now because the booming economy has increased demand for air travel. Learning from their near-death experience in the 1980s, the major carriers have let fares rise rather than add capacity.

In 1996, after the ValuJet crash, the government was less concerned about the survival of small airlines than it was about the survival of their passengers. Now the Transportation Department frets openly and often about how the crash of ValuJet —which in fact had a poor safety record— scared passengers away from low-cost airlines, hastening their general demise.

But Boyd says the failure rate of start-up airlines may have little to do with large carrier monopolies. Of the 30 new airlines launched prior to 1993, all but five failed, "taking enormous amounts of investors' and consumers' money with them." In nearly every instance, he contends, those failures were due to bad management and shoddy service.

"For all those folks in Dickinson, North Dakota, who have a hankering to visit Queens, this bill is a godsend," aviation consultant Michael Boyd told Congress. It will create "a field day for paid consultants and politicians at cities that can barely support a 7-Eleven, let alone jet service."

There are several steps that industry analysts agree could improve competition. Some, such as freeing up gates, are already being taken by the airports. At San Francisco International, for example, long-term leases have been replaced by 30-day permits that give the airport the flexibility to shift gates and add new carriers.

"There is no one that is sitting out on the ramp with their engines running and 400 people on board waiting to get into a gate because all of them are tied up with airlines that have long-term exclusive leases," says San Francisco airport spokesman Ron Wilson. "A new airline entering the market in San Francisco has the freedom to come in and apply, and we will give them entry."

United has 40 percent of the operations at San Francisco, but it cannot exclude other carriers by tying up gates. Los Angeles has similar gate flexibility.

Another possibility is getting rid of slot controls altogether, and letting airlines bid against each other for space at the four congested airports. Competitors could enter freely, and landing rights would go to the flights that passengers, rather than Tennessee politicians, demand.

Analysts also commend McCain's move to eliminate the "perimeter rule," which diverts long-distance flights from Washington National to Dulles, and from Love Field to Dallas/Fort Worth. The rule has resulted in reduced competition.

But one of the surest and quickest ways to increase competition is not even being considered: lifting the ban on foreign carriers serving the domestic market and allowing them to carry passengers not just to but between U.S. cities. "It would be a source of instant competition by very powerful entrants," says AEI's Steltzer. Kahn calls it "our main hope" for greater competition.

It is unlikely that a tiny startup like Detroit-based Spirit Airlines will ever pose a serious threat to a big carrier like Northwest. It would be a very different story if a competitive challenge were offered by, say, Lufthansa, Air France, or British Air.

Maintaining the ban appears to reinforce the monopoly power that the government is otherwise trying to dilute. Rather than competing with U.S. carriers, foreign airlines have begun forging marketing alliances with them, sharing seats, routes, and frequent-flier programs.

McCain says he would love to end the U.S. ban on foreign carriers, but only if foreign countries reciprocate. That may never happen. "Powerful political forces prevent it," AEI's Steltzer says. "British Air doesn't have any U.S. senators." ◆

Contributing Editor Carolyn Lochhead (lochheadc@nationalpress.com) is Washington correspondent for the San Francisco Chronicle.

Smoking Guns

A big-city mayor trains his sights on weapon makers.

By Max Schulz

It took a little legal inspiration, but thanks to the tobacco wars another unpopular industry is finding itself fixed in the cross hairs of politicians ravenous for revenue and publicity. The next group of manufacturers attempting to dodge the bullet of predatory civil litigation is the nation's firearms industry. Companies such as Smith & Wesson, Glock, Colt, and Beretta are bracing for a legal fusillade sure to be directed their way. The first round is likely to fired from Philadelphia, the very place where the Second Amendment was drafted.

This spring, Philadelphia Mayor Ed Rendell announced that he is "seriously" considering bringing suit against handgun manufacturers as a way to counter the gun-related violence he says is ravaging his city. And the level of violence is startling. Eighty-two percent of Philadelphia's 410 murders last year were committed with firearms. Gun homicides increased by 102 percent between 1985 and 1995.

"The magnitude of the crisis in Philadelphia is that gun violence is plain and simple out of control," Rendell told the April meeting in Washington, D.C., of the American Shooting Sports Council, the major trade organization for most of the nation's gun manufacturers. "We will do anything, we will try anything, to reduce the carnage which is tearing the heart and soul out of Philadelphia."

When Rendell talks like that, people take notice. Well-known for his ability to get things done quickly, he inherited a fiscal and political mess when he took office in 1992. When Philadelphia's immensely powerful municipal workers walked out on the new mayor, he did more than hang tough. He won pay cuts, vacation reductions, and changes in work rules—and immense popular support from voters that continues to this day.

In true anything-goes fashion, Rendell, a former city prosecutor, thinks a lawsuit seeking damages for the costs the city incurs due to gun violence may be the answer. From overtime for police and paramedics to the money needed to hose blood from crime scenes, Rendell estimates gun violence costs his government $58.8 million each year. And he figures that if the states can pick the pockets of cigarette barons for health costs linked to tobacco use, he should be able to do the same to the makers of the guns most often used in Philadelphia crimes. Rendell plans to make his decision sometime after Labor Day.

The complicated legal strategy is still being developed by the mayor's team. Rendell and his staff have yet to work out answers to a number of basic questions: whether to file in state or federal court, how much money it would cost taxpayers, and how good the chances of winning are.

One of Rendell's top aides admits the legal theories behind the proposed suit are quite novel. "We have to consider a number of factors, like negligence, strict liability, and public nuisance," says mayoral spokesman Kevin Feeley, who insists, "This is not a grandstand play or an attempt to get a headline."

Good intentions aside, the headlines piled up in February when Rendell first started publicly rattling the cages about a suit. But the generally favorable press response glossed over a central consideration: Rendell will have an extremely difficult time winning. Affixing liability to manufacturers for gun-related violence has so far proven to be a nonstarter. While gun makers often are sued by victims or relatives of victims of gun-related violence, no such suit against manufacturers has ever succeeded. (Some gun makers have been held liable when weapons have caused deaths or injuries because they misfired or were otherwise defective.)

In March, a New York jury determined that S.W. Daniel, a Tennessee-based gun company, was not liable for the notorious 1994 murder of rabbinical student Ari Halberstam. Halberstam was riding in a van across the Brooklyn Bridge when a car pulled alongside. Rashid Baz opened fire indiscriminately from the car with a gun containing parts from S.W. Daniel, killing Halberstam. As one juror was quoted in *The New York Post*, "We're not happy with the fact that these gun companies exist, [but] they didn't pull the trigger." The clear message sent by this jury and others about where responsibility for gun violence lies poses the toughest challenge for a suit against gun makers.

"The problem [such private suits] have had has been getting over the proximate causation hurdle," explains Feeley, Rendell's aide. "When these things happen, there is the matter of some person pulling the trigger. You've heard the expression that guns don't kill people. The proximate causation hurdle is something we have to deal with, too." The height of that hurdle may explain why only one other big-city mayor, Miami-Dade's Alex Penelas, is even known to be considering a similar lawsuit.

Rendell's staff thought it might anchor its lawsuit to the idea that guns constitute a "public nuisance." That approach, however, was dealt a severe blow in March, when the family of a murdered Chicago policeman suing under that theory lost its case against a gun maker.

Still, outrageous and illogical jury decisions certainly are not unheard of in cases where emotions run high. For that reason—and despite the dismal track record of litigation against gun manufacturers—all bets are off if Rendell gives his city the go-ahead to proceed with the lawsuit. In civil litigation, a lot of passion can make up for a deficiency of merit.

Rendell is nothing if not passionate when it comes to the issue of gun violence and the rivers of blood flowing down his city's streets. "I don't want to be a hero," he told the ASSC meeting, pleading that he really doesn't want to sue, but he might have to in order "to protect the people of Philadelphia."

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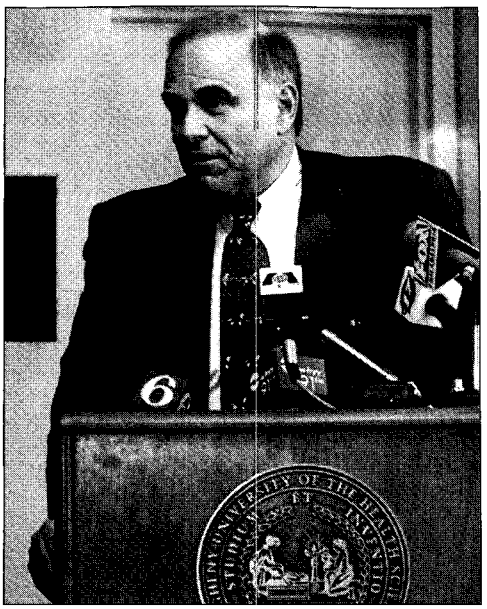
No fewer than four times during his talk with gun manufacturers did Rendell invoke "the heart and soul" of himself or his city, inviting them to "feel our pain." "Believ[ing] with every ounce of feeling I have that there are far too many guns," Rendell relentlessly attacked "rogue companies" which "market to criminals and people in cities."

Rendell manages to maintain a tough-on-crime image while pushing liberal feel-good buttons: He's for the death penalty and mandatory minimum sentences yet quick to blame gun violence on "society" at large. Judging from his performance at the ASSC gathering, the results range from predictable to strange. He's fond of invoking children: "In Philadelphia kids are killing kids at a higher rate" than ever before, he claimed, while noting that his recreation department will launch an "I Can End Violence" campaign this summer that is designed "to tell kids, 'You are shooting at the mirror image of yourself....It's basically you, just a different name.' " But he also called for tax dollars to go to gun makers. "Government," he said, "ought to aid you in providing for research and development of personal firearms" that can be fired only by the owner.

Whether Rendell's lawsuit ever has its day in court, it has already won serious concessions. Manufacturers are terrified of what may happen if they are called to fight in court, so they are making efforts to assuage Rendell and stave off a suit.

The ASSC has been dancing a very delicate waltz with a mayor who at any moment could make its members' lives miserable. The group has been praising the virtues of cooperation with Rendell, the White House, and the Bureau of Alcohol, Tobacco, and Firearms. Last October the industry announced it would "voluntarily" adopt child-safety locks on every handgun. Every major manufacturer but one (Colt, which is taking a different approach aimed at personalizing handguns) signed on.

"It is very definitely a response to a possible lawsuit," says Bob Ricker, director of government affairs for the ASSC. "We've watched the tobacco industry with how they have faced similar issues, and the alcohol industry with drunk driving. We don't want to get into a bunker mentality."



Rendell's Revenge: The tough-talking Philadelphia mayor may sue gun makers, the film industry, even his own city for the "costs" of gun violence.

AP / WIDE WORLD PHOTO

But if the ASSC thinks it can buy off Rendell, it will have to adopt many more "voluntary" reforms before the mayor shelves the lawsuit idea for good. While a spirit of amity and cooperation seemed to reign at the April convention, Rendell made it very clear to gun makers that their contrition has just begun.

He presented a list of demands: The industry must endorse legislation working its way through the Pennsylvania Assembly that would limit gun purchases to one per person per month; it must stop selling products which are allegedly attractive to criminals, such as cheap "Saturday Night special" handguns, armor piercing bullets, and so-called assault weapons; and it must stop making guns that can use magazine clips holding more than 10 rounds of ammunition. This final proposal would in effect end the manufacture of all weapons that accept magazines. Progress on these and other "voluntary" reforms must be shown by summer's end, Rendell warned, or the suit may proceed apace.

In which case Rendell will have to answer perhaps the most intriguing question of this whole drama: Whom to sue? His staff, generous and candid in discussing possible tactics, theories, hurdles, and other elements of the suit, is tight-lipped on this point. All gun manufacturers? Just the biggest ones? Retailers? Wholesalers? Makers of bullets? Rendell's aides adamantly refuse to say.

The mayor was far more forthcoming when I posed the question directly to him: "I would sue a lot of people," he boomed. Not just gun makers, he emphasized—*anyone* responsible for the carnage in his streets. Decrying how in movies these days even the good guys routinely use guns, Rendell stated, with utter seriousness, "I might sue the entertainment industry for glorifying gun violence." He continued, "I might sue the federal, state, and local governments for not providing economic opportunity. I might have to sue ourselves."

Despite their seeming silliness, such wide-ranging and overwrought proclamations have so far had a definite effect: They have prompted the ASSC to acquiesce to Rendell's demands. And yet, just minutes after a talk in which he promised to indict anyone and everyone who makes life miserable in his city, the mayor dropped a hint that his performance was just that—a performance.

As he was leaving the meeting, Rendell was confronted by Mo Stein, who retails guns and sporting goods in the Bronx. Stein told Rendell about how he had just been sued over a freak accident that didn't involve him and took place hundreds of miles away. It turns out that about four years ago, a sportsman was illegally hunting on a dairy farm in upstate New York. The hunter mistook an employee for a deer and fired, killing the man. Just before the statute of limitations ran out, the victim's family filed lawsuits against anyone and everyone possibly connected with the incident. They sued the hunter. They sued the dairy farm. And they sued Mo Stein, who allegedly sold the gun used in the accident. Stein has already paid $20,000 in legal costs to defend himself, and his ordeal is just beginning.

Before Stein could ask Rendell what he thought about that, the mayor emphatically volunteered, "I think there ought to be limits put on your liability." Then he sauntered off, leaving Mo Stein to scratch his head and wonder why Rendell is drawing up plans to sue him over shootings in the City of Brotherly Love.

Max Schulz (millyon@aol.com) is an adjunct scholar with the Frontiers of Freedom Institute.

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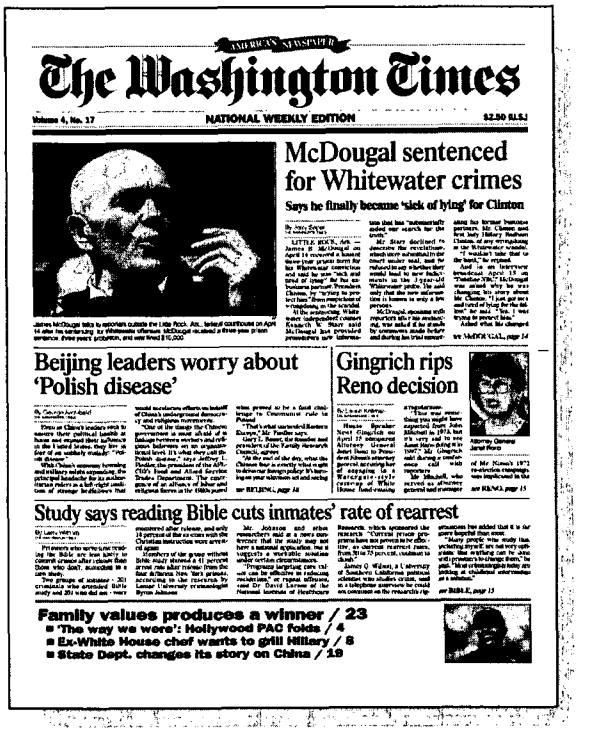
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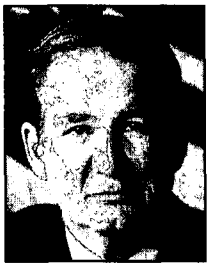

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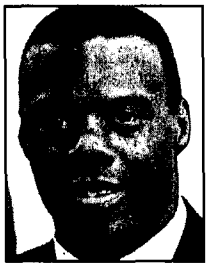

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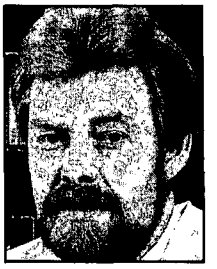

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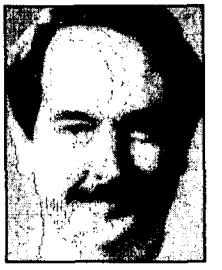

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Kingdom of the One-Eyed

ADA advocates show a blind spot on safety.

By Walter Olson

Our topic this month is the interestingly favorable legal status these days of the one-eyed—or, as it's more polite to call them, persons with monocular vision. For readers who came in late, the Clinton administration caused a stir last year when it filed suit against United Parcel Service, challenging the company's policy of insisting that drivers of its delivery trucks have sight in both eyes.

That's unlawful discrimination against the visually disabled, said the Equal Employment Opportunity Commission, and it doesn't matter in the least that UPS's policy is based on concern for the safety of other road users rather than on any sort of malice or animus toward persons destitute of the usual ocular endowments. Nor does it matter that if a pedestrian happens to dart unexpectedly onto the roadway from the impaired side of one of its newly hired drivers, UPS stands to get sued for a fortune.

After sifting through the cases, I can report that the complaint against UPS by no means represents a novel or unprecedented interpretation of the law. There's now a whole jurisprudence on employers' obligation to turn a blind eye, so to speak, to safety worries when the Hathaway Man shows up in quest of a hazardous-duty assignment:

■ The Supreme Court declined in January to review an Americans with Disabilities Act award against the city of Omaha for refusing to rehire a former policeman who'd lost sight in one eye and was suffering loss of peripheral vision in the other; the police chief believed those eyesight problems would interfere substantially with the policeman's duties. Estimated payout by the city: $200,000.

■ The U.S. Department of Justice extracted a $110,000 settlement from the city of Pontiac, Michigan, which had withdrawn a job offer to a firefighter after a pre-employment physical revealed he could see out of only one eye. Firefighters, like police officers, must be prepared for emergency situations in which visibility conditions may be poor even for those with unimpaired eyesight, and where accuracy in spotting dangers or aiming back at them can spell the difference between life and death.

■ Also in Michigan, the state Supreme Court confirmed that under state disabled-rights law, the Clawson Tank Co. could not exclude from a hazardous job a worker who'd lost an eye in an off-the-job incident. The company had noted that a significant share of injuries in its line of work were injuries to the eye, which were serious enough when they afflicted a worker who started out with two intact orbs and could be catastrophic if they deprived a person of his only remaining one. The ruling was not especially controversial: Disabled-rights authorities generally agree that employers no longer enjoy any right to invoke disabled workers' own safety as a reason to exclude them from jobs.

■ "Lawsuit Prompts City To Ease Police Eyesight Standards," ran a *Columbus Dispatch* headline in 1995. The article reported on a successful challenge under the ADA to the Ohio capital's former requirement that police recruits bring to the job vision of at least 20/40. The suit "will definitely result in the city coming up with less stringent standards," said city attorney Ron O'Brien, who told the newspaper that the previous eyesight standards had become legally untenable since the law's passage.

■ In February of this year, following up on its UPS suit, the EEOC sued Northwest Airlines for declining to hire a woman with vision in only one eye for a job which would require her, among other duties, to drive maintenance trucks from one aircraft to another at the Milwaukee airport. Northwest vowed to fight: "It's nonsensical on the face of it that we can't ask someone about their ability to do the job," company spokesman Jon Austin told the *Milwaukee Journal Sentinel*, adding that the runway ramps tend to be crowded with other ground service vehicles and personnel as well as aircraft. "We need people who can employ depth perception. It's a potentially hazardous situation if they can't. And we want our employees to be safe."

■ Last October—you might want to remain seated for this one—the U.S. Court of Appeals for the 9th Circuit gave the go-ahead to a lawsuit under Hawaii state disabled-rights law against Aloha Islandair, a passenger airline, for declining to hire a pilot with vision in only one eye. The decision was based on relatively narrow legal grounds, overturning a lower court opinion which had found that federal aviation laws preempted the right to file such suits under state law.

Significantly, however, the appellate court dropped some broad hints that it expected the complainant to win when he got back to state court, the reason being that the Federal Aviation Administration has not banned persons with monocular vision from flying planes—and so long as it hasn't, the court suggested, airlines shouldn't imagine that they can institute such hiring criteria on their own.

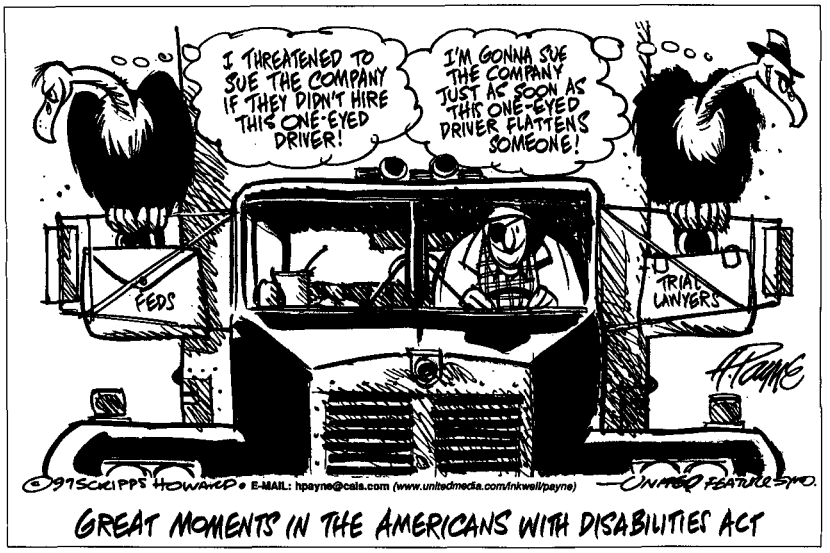
Employers haven't lost all the cases. For instance, the American National Can Company prevailed in a lawsuit in the Iowa courts after it dismissed an operator who'd gotten into three accidents driving a forklift truck and whose subsequent medical exam revealed that he was legally blind in one eye.

In another case, a New York state court allowed the Wackenhut Corp. to turn away a would-be armed security guard at Consolidated Edison's Indian Point nuclear power plant; the court noted that federal safety regulations require that persons seeking to work as nuclear plant guards have binocular vision.

If you're an employer, then, there are two seemingly reliable ways to win a vi-

sion-safety suit under the ADA and its parallel state statutes. One is to hire all comers, then sit back and wait for the accidents to happen; if they're numerous and severe enough, you may then be permitted to remove (or at least transfer) the particular worker who got into them.

Short of an actual trail of accidents, your task under the ADA—one that's intended to be difficult, and usually is—is to muster affirmative proof that a prospective risk is both "direct" and "substantial," with the threat of a back-pay award hanging over you should a court disagree. It isn't enough to show an "elevated" statistical risk, even if, averaged over a large number of hiring decisions, such statistical differences translate into a certainty of more accidents and injuries.


I THREATENED TO SUE THE COMPANY IF THEY DIDN'T HIRE THIS ONE-EYED DRIVER!
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GREAT MOMENTS IN THE AMERICANS WITH DISABILITIES ACT

Your second hope, as in the Con Ed case, is that some federal safety regulation can be found on the books that forbids you from hiring the person. This principle is emerging as the keystone of enforcement policy at the EEOC and its counterpart state agencies: They keep taking the position that if government regulators have set some minimum eyesight requirement for truckers or aviators, it's improper for employers to hold out for any more than that, which is to say it's improper to make their workplaces any safer than is mandated by law. The government is comfortable, you understand, with the idea of a hiring practice's being either mandatory or forbidden; what gives it the heebie-jeebies is this uncanny in-between state of affairs sometimes known as "liberty."

Already there are the first hints in the trade press of the inevitable employer reaction: A few businesses and trade associations, alarmed at the wave of ADA demands and looking for some line of defense, are beginning to think about working to get the various federal personnel-safety regulations tightened in hopes of tying their own hands and requiring them to reject applicants with borderline physical capacity. Since such regulations inevitably tend to be somewhat overbroad, an ironic result would be to bar an occasional individual with compromised vision from particular jobs even though the employer in question, left to its own discretion and knowing in some detail what the job does and does not require, would have judged him an acceptable risk.

In the highway case, for instance, federal Department of Transportation regulations bar monocular drivers from obtaining new licenses to drive heavy tractor-trailers and other vehicles of more than 10,001 pounds, as well as vehicles transporting hazardous materials and passenger vehicles carrying more than 16 persons. When it comes to smaller vehicles and those of other classes, the regulations have heretofore left things up to the employer's discretion. The EEOC now argues that because UPS delivery trucks do not fall into the very heavy class and do not carry passengers or hazardous materials, the company's safety rationale can be dismissed out of hand.

Vehicle class and weight happen to be two of the traffic safety variables that federal regulators can conveniently reach, so they've proceeded to regulate along those lines. Yet the weight and class of a truck are only two variables—and perhaps not always the most important ones—in a safety analysis.

As it happens, there continue to roam the highways quite a few veteran monocular drivers who began operating heavy trucks in less-regulated days and were "grandfathered" into later rules, and some have compiled long accident-free records. Indeed, at one point DOT even tried to liberalize its waiver process to allow more monocular drivers to graduate to heavier trucks if they could demonstrate excellent safety records in lighter vehicles, but it had to stop after it got successfully taken to court by a be-safe-or-we'll-sue group called Advocates for Highway and Auto Safety.

It's quite possible, when you get down to it, that UPS's own internal rule makes more sense than the DOT regulation. Conceivably the loss of peripheral vision and close-range depth perception associated with monocularity might be a relatively minor disadvantage out on the interstate, where not many hazards are apt to emerge quite unexpectedly from the side of the driver's visual field. The same disadvantages might prove more serious in a regimen of stop-and-go driving in densely populated neighborhoods, with constant backing up and turns into residential driveways—typical duties for a UPS delivery person.

"Blindness" as a metaphor has come to carry distinctly pejorative overtones, implying a foolish or willful overlooking of facts that are plain for all to see. That's a bad rap on those who struggle with literal vision impairments; there's no reason to think they're any less keen on apprehending truth than the rest of us, or any less capable of applying sound judgment to the truths they apprehend.

But it's only too appropriate a metaphor for the diehard advocates of the ADA, who elect ever more foolishly and willfully to direct their attention away from the mounting dangers their pet law poses to the safety, as well as the liberty, of the nation they presume to govern. ◆

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HENRY PAYNE

The Great Contradiction

By Brink Lindsey

The Great Betrayal: How American Sovereignty and Social Justice Are Being Sacrificed to the Gods of the Global Economy, by Patrick J. Buchanan, New York: Little, Brown, 376 pages, $22.95

The ongoing globalization of economic life leaves many Americans nervous and suspicious. According to a *Business Week* poll taken last fall, 56 percent of Americans believe that expanded trade will destroy more jobs than it creates, and 40 percent think that more trade means lower wages, compared to only 17 percent who believe the opposite.

Pat Buchanan has played to this anxiety in two presidential campaigns and is now preparing to do so a third time. To that end he has written *The Great Betrayal*, a root-and-branch rejection of free trade in favor of a "new nationalism." Consider this book a preview of his 2000 campaign strategy.

Buchanan advances two distinct and contradictory lines of argument in *The Great Betrayal*. On the one hand, he defends protectionism as sound economic policy. According to Buchanan, tariff barriers promoted American prosperity throughout much of our history, while their progressive elimination in recent decades has begotten industrial decline and falling living standards. At the same time, he lambastes free trade "ideology" for exalting economic efficiency over concern with flesh-and-blood people—specifically, the people whose lives have been disrupted by foreign competition. Buchanan calls upon "conservatives of the heart" to embrace protectionism on the ground that there's more to life than economics.

So which is it: Is free trade inefficient or too efficient? Neither position is tenable, and by flipping back and forth between the two, Buchanan manages to get the worst of both worlds.

First, let's look at Buchanan's claim that import barriers promote economic vitality. His chief evidence is historical: Throughout much of its existence, the United States maintained high and consciously protectionist tariffs while experiencing rapid growth and development. True enough, but what of it? In all countries at all times, governments have hampered markets with ill-advised restrictions on freedom, and yet the creative power of markets has persevered to deliver the goods. That's no proof that the restrictions helped. The fact that I can carry a bag of cement up a hill doesn't mean it's making me go faster.

Pat Buchanan proclaims sympathy with two conflicting public sentiments—the desire for economic dynamism and the aversion to disruptive change—and reconciles the two by blaming their conflict on an unpopular scapegoat, "international trade." Politically, it's an elegant straddle. Intellectually and morally, it's shameful demagoguery.

And Buchanan neglects to mention that despite the existence of protectionist tariffs, Americans continued to enjoy other kinds of unregulated international trade. Although foreign goods were often kept out, foreign money wasn't: British investment in particular played a major role in bankrolling American canals and railroads during the 19th century. And while we blocked the products of foreign labor, we didn't block the foreign labor itself: Mass immigration supplied the manpower—and much of the brain power—for the new mass production economy that propelled the country to affluence. These points hardly square with Buchanan's thesis that America's rise was based on independence from foreign influence and protecting "good jobs at good wages" from foreign competition.

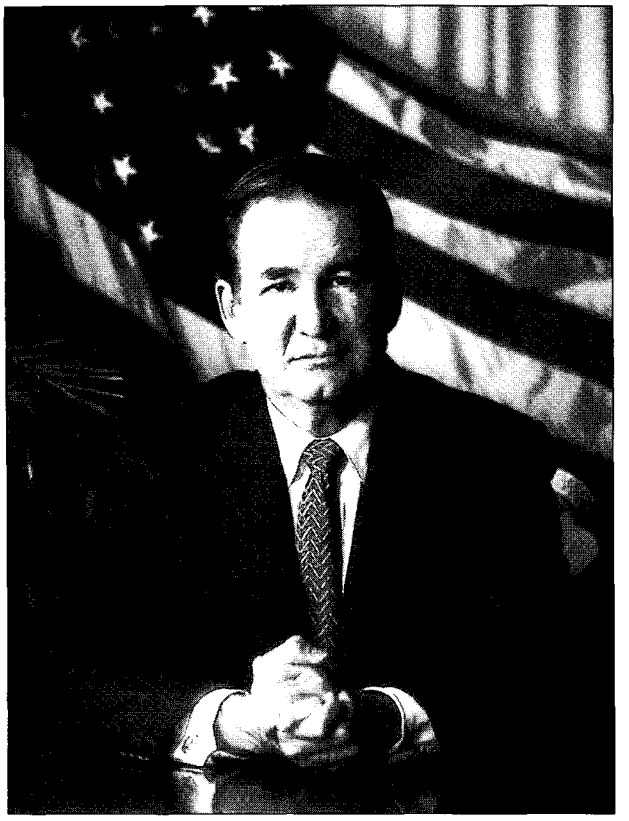
In any event, it's no good to argue that the historical coexistence of protection and prosperity demonstrates a causal connection between the two. This is the *post hoc, ergo propter hoc* fallacy: The rooster crowed, the sun rose, so therefore the rooster caused the sun to rise. To get anywhere, you have to have some analytically convincing explanation for why the one leads to the other.

Unsurprisingly, Buchanan fails to come up with any such thing. Space constraints prevent me from cataloging and responding to all of the butcheries of economic reasoning contained in *The Great Betrayal*. Let me focus instead on the nub of the matter. "Here is another fallacy of free-trade theory: what's best for its consumer is best for a country," Buchanan declares. He continues: "Putting consumption first goes against the grain of common sense, as well as inherited wisdom. Before consumption comes production. Before production, investment. Before investment, savings. And before savings, income—the reward for work. Before a family consumes bread, a farmer must plow the ground, sow the seed, till the field, wait and watch....As Aesop's fable of the ant and the grasshopper teaches: he who puts consumption first has put his foot on the road to ruin."

Buchanan here trips on the root misconception of protectionist thinking: that production, not consumption, is the end of economic activity. The notion sounds superficially plausible, which is why two centuries of railing against it by economists have failed to put it to rest. Of course production is what it's all about; how silly of those ivory-tower economists to say otherwise.

But the economists aren't denying the centrality of production; they are defining what production is. Specifically, production is economically meaningful only if it is of value to someone—that is, only if there's a consumer out there who wants to buy it. You can show all kinds of determination and grit while digging holes and filling them back in, but that's not production; it's a waste of time.

Thus, the bedrock principle that consumption is the end of economic activity is not a call to hedonistic self-indulgence, as Buchanan charges. On the contrary, putting the customer first is a fierce discipline that the market imposes on producers. Work as hard as you want, but unless you're creating more value than you're expending, you're wasting resources and will eventually go out of business. It is this relentless discipline that drives producers to create more and more value for less and less effort—in other words, to make us richer.



Populist Pat: "We are now the 'two nations' predicted by the Kerner Commission thirty years ago," writes Buchanan in *The Great Betrayal*. "Only the dividing line is no longer just race; it is class."

The primary benefit of free trade is that it further tightens the screws of market discipline by expanding the realm of competition. Industries that face import pressure must become more productive or give way; industries that can take on the world's best are able to export and expand. International commerce thus shifts a country's resources away from less productive industries and toward more productive ones.

Protectionists like Buchanan get all of this backwards. They believe that wealth consists of particular domestic industries with high-paying jobs; they want to defend those industries and jobs from foreign competition. But high-paying jobs don't just fall from the sky; they emerge from the process of market discipline that encourages ever-increasing productivity. By shielding producers from market discipline, protectionists interfere with and undermine the wealth-creating process that ultimately produces high-paying jobs.

In the end, the only economically literate case for protectionism comes down to the claim that, under certain circumstances, government decisions about how resources should be allocated (i.e., which industries should be protected) will produce better outcomes than the market process. It's a theoretical possibility, of course, but so is hitting it big at the roulette table by playing your lucky number. Over the long term, neither is likely to be a winning proposition.

Turning from the past to the present, Buchanan contends that the U.S. "free trade era"—which he dates from the conclusion of the Kennedy Round of GATT talks in 1967—has been an economic catastrophe. Here he trots out familiar statistics about our ballooning trade deficits and eroding manufacturing base—all of which figured prominently in the "declinist" literature of the '80s and early '90s. Times have changed, though, and now this Cassandra routine comes across as stale. Put aside for a moment all the hype about our own economic performance, and just take a look around: With Europe stuck in the mud and Asia falling off a cliff, exactly whom are we in danger of falling behind?

Perhaps sensing that it's no longer the New Hampshire winter of '92, Buchanan does not stick too firmly to the old declinist rant. Or rather, his focus is elsewhere. The emphasis in *The Great Betrayal* is not on America's standing relative to the world but on some Americans' standing relative to others:

"We are now the 'two nations' predicted by the Kerner Commission thirty years ago. Only the dividing line is no longer just race; it is class.

"On one side is the new class, Third Wave America—the bankers, lawyers, diplomats, investors, lobbyists, academics, journalists, executives, professionals, high-tech entrepreneurs—prospering beyond their dreams. Buoyant and optimistic, these Americans are full of anticipation about their prospects in the Global Economy....

"On the other side of the national divide is Second Wave America, the forgotten Americans left behind. White-collar and blue-collar, they work for someone else, many with hands, tools, and machines in factories soon to be hoisted onto the chopping block of some corporate downsizer in some distant city or foreign country."

Here at last, Buchanan strikes a nerve—even if he uses a meat axe to get to it. Free trade, while broadly beneficial, does have its human cost. Some Americans have lost their jobs and seen their prospects diminished because of foreign competition.

But there is nothing distinctive about international trade in this regard. What about mom-and-pop stores displaced by Wal-Mart? What about Eastern and Braniff and Pan Am (the first one, anyway)? What about IBM's eclipse? What about the market share Big Steel lost to Nucor and other minimills? What about merger waves and the resulting "downsizings"? What about new management gurus and their jihad against middle managers? What foreigners are to blame for any of this?

The fact is that we are living in a time of sweeping and convulsive economic change. This change is creating vast new wealth and breathtaking new opportunities; at the same time, it is claiming some

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victims and fraying more than a few nerves. Foreign trade is a part, but only a part, of that overall picture.

Accordingly, if you wish to side with "Second Wave America" against "Third Wave America," you can't stop at trade policy. A true "protectionist," one who would defend the economic status quo against all comers, must declare himself an enemy of change itself, and the open and dynamic market system that endlessly foments it.

Buchanan flirts with this kind of full-fledged reactionary stance: "What is wrong with the Global Economy is what is wrong with our politics; it is rooted in the myth of Economic Man. It elevates economics above all else. But man does not live by bread alone.

"To worship the market is a form of idolatry no less than worshipping the state. The market should be made to work for man, not the other way around."

But Buchanan can follow this line only so far, since ultimately it conflicts with his economic nationalism. After all, why does it matter that free trade is bad economics if economics itself is bad? If protectionism really would make our economy grow faster, that just means the pace of change would accelerate and the toll of disruption increase. Why would a true-blue reactionary support that?

Economics bashing also makes a hash of Buchanan's reading of history. What sense does it make to champion the Americans left behind by "Third Wave America," while at the same time totally ignoring all the Americans left behind by "Second Wave America"? Buchanan identifies the period between the Civil War and World War I as a golden age of economic nationalism, yet that was a time of economic dislocation similar to, if not more turbulent than, our own. Buchanan, however, does not castigate the Gilded Age for its market idolatry; he sides with the big-business elitists and their "cross of gold."

So Buchanan tries to have it both ways. His heart bleeds for the victims of change, but only when foreigners can be made to take the rap for it. Buchanan's book proclaims sympathy with two conflicting public sentiments—the desire for economic dynamism and the aversion to disruptive change—and reconciles the two by blaming their conflict on an unpopular scapegoat. Politically, it's an elegant straddle. Intellectually and morally, it's shameful demagoguery. ◆

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Bad Show

By John J. Pitney Jr.

Show Time: The American Political Circus and the Race for the White House, by Roger Simon, New York: Times Books, 356 pages, $25.00

Spin Cycle: Inside the Clinton Propaganda Machine, by Howard Kurtz, New York: The Free Press, 352 pages, $25.00

In his meandering account of the 1996 campaign, syndicated columnist Roger Simon tells how President Clinton joked about a famous Inca mummy: "I don't know if you've seen that mummy. But, you know, if I were a single man, I might ask that mummy out. That's a good-looking mummy."

In *Washington Post* media reporter Howard Kurtz's look at White House press operations, we learn the rest of the story. During an "off-the-record" bull session with reporters later that day, White House press secretary Mike McCurry topped Clinton's gag with one of his own: "Probably she does look good compared to the mummy he's been [having sex with]."

These two passages illustrate a difference between the two books. Clinton's mummy line is, as the White House likes to say, "old news." It appeared in dozens of press reports, and Simon's account adds nothing to what we already knew: namely, that even a 500-year-old corpse can get this guy thinking about sex. By contrast, the McCurry jab is fresh information, which itself made news when *Spin Cycle* came out. What's more important, the story offers insight into McCurry's style: By making a naughty side comment about the Clintons, he sought to charm White House reporters, who might thus become a tad more receptive to his pro-Clinton spin on larger matters. He's so good at his work that publication of the remark did not cost him his job, though it probably did earn him a curse from the First Mummy.

Though the lesser book of the two, *Show Time* does merit attention. One could easily rework it into a textbook on political writing, whose new title would be *Don't Do This.* The jacket notes call it a "riveting, rollicking, behind-the-curtains peek at the greatest show on earth: the modern American presidential campaign." It's more like a cheap circus that promises a wild-animal show and produces a wretched pack of mangy dogs. Simon has caged every cliché from the 1996 campaign and billed it as a revelation. Dole was an old man who lacked vision and ran a rotten campaign! Clinton was a slippery politician! Perot was a loony!

One might forgive Simon for his trite themes if he compensated with witty prose. He doesn't. A chapter on Dole's war wound bears the title "Arm and the Man." If that high-culture reference is too sophisticated for you, Simon serves up plenty of pop. "On Bob Dole's bad days, he looked like Grandpa Munster. On his really bad days, he sounded like him." To anybody who remembers Al Lewis's role on *The Munsters,* Simon is saying that fatigue would cause Dole to grow a huge schnoz and adopt a Brooklyn accent. Either he has an exclusive worthy of *Weekly World News* or he's proving that writers should give a little thought to their analogies.

Simon is sloppy about his facts. In 1992, he recalls, Governor Clinton permitted an execution, figuring that nobody ever lost votes "by electrocuting a black man." Here, his hard-boiled prose has a small crack: Convicted murderer Ricky Ray Rector died by lethal injection. In 1996, Simon assures us, Clinton did not want to become "the first president in history to be elected twice without a majority of the vote."

Actually, he'd be the third, since Cleveland and Wilson had both scored that dubious achievement long before. Simon claims Republicans have an edge in the electoral college, but in both 1992 and 1996, Clinton won more than two-thirds of the electoral vote while winning less than half of the popular vote.

Where *Show Time* is not wrong, it's usually derivative. Its observations about Dole's mannerisms—especially his habit of punctuating sentences with a grunt that sounded like "arghh"—owe much to Richard Ben Cramer's masterful story of the 1988 campaign, *What It Takes.* Even the publisher's flacks cannot find new material here. In 1992, according to a passage featured in the press release, a female flight attendant on Clinton's campaign plane received instructions not to appear on the tarmac with him when photographers were present and to decline his invitations to work out with him at the Little Rock YMCA. So does Simon have a scoop? Hardly. All of this information first appeared in a July 7, 1994, *Washington Post* story by Sharon LaFraniere.

A couple of times, Simon does start to handle something potentially important—and then drops it. In describing Dole's first swing through California, Simon mentions the state's ballot initiative to ban racial preferences. His sketch of the issue raises the faint hope that he will chuck the trivia and analyze the role of a substantive issue in the 1996 campaign. No such luck. In Simon's telling, Dole cut short his planned endorsement of the proposition simply because bad advance work had botched the arrangements for the speech. Simon misses the opportunity to discuss racial politics and the GOP's continuing inability to articulate the principle of equal opportunity.

Simon devotes several pages to the policy concessions and ego strokes that Clinton employed to keep Jesse Jackson out of the 1996 Democratic primaries. A key gesture involved campaign help for Jackson's son, who was running for the U.S. House. Simon quotes presidential aide Harold Ickes: "Certain Democratic fund-raisers close to the president gave money to the Jackson for Congress campaign." Simon then mentions that these fund-raisers included the notorious Lippo Group and a mysterious Indonesian landscaper whose huge contributions would later embarrass the Democratic National Committee. So how exactly did Clinton's foreign-money laundromat relate to his effort to appease Jackson? Simon doesn't say; he just moves on to other things.

Spin Master Mike: McCurry is so good at his job of presidential press secretary, he survived unfavorably comparing Hillary Clinton to a 5,000-year-old Inca mummy that caught his boss's eye.

In his epilogue, Simon recounts an interview with Mike McCurry. Simon asks him about the president's state of mind: "And why is he so at peace, why is he so spiritual?" McCurry takes the question seriously, talking about the Clinton legacy, even though the president's "spirituality" really consists of offerings at the temple of Aphrodite. McCurry also explains why Clinton thinks people will remember his accomplishments instead of his scandals: "He is confident because he has done nothing to besmirch his office in a major way." Ponder those last four words: the Clinton codicil to every ethical standard, including each of the Ten Commandments. (Thou shalt not commit adultery ...in a major way.)

According to Howard Kurtz, McCurry is "the master of spin." He makes such an effective spokesman for the president because he understands a few basic lessons about the press. First, reporters compete among themselves. They will not necessarily aid a colleague in distress, as McCurry demonstrated when he rudely cut off *New York Post* correspondent Deborah Orin at a press conference, and no one stood up for her. Competition allows McCurry to play reporters against one another: He leaks a breaking development to one, forcing the rest to play catch-up, thereby keeping a story alive through several news cycles.

The second lesson is that a press secretary can avoid outright lying if he avoids learning the truth. To protect his integrity when discussing scandal, Kurtz says, McCurry follows a path of "willful ignorance," repeating only what the lawyers tell him and not quizzing Clinton directly if he can help it.

The third lesson is that reporters, like other human beings, enjoy flattery and dislike criticism. Courting the press does not guarantee favorable coverage, but failure to do so will guarantee bad coverage. Although President Clinton is very good at it when he wants to be, his own hypersensitivity sometimes causes him to lash out against reporters, usually with unhappy results.

Spin Cycle does a fine job of explaining how McCurry and other Clintonistas apply these lessons. Unlike *Show Time,* it depends mainly on original reporting instead of Nexis searches. Kurtz is especially perceptive in laying out the elaborate effort to

defend Al "No Controlling Legal Authority" Gore against accusations of illegal fund raising. Among other things, Kurtz says, the battle involved the generation of sympathetic op-ed pieces. Good point: One of the open secrets of journalism is that many (perhaps most) op-eds and letters to the editor result from professional public relations campaigns.

In spite of the book's virtues, its own "spin cycle" will be brief. Kurtz focuses mainly on White House response to scandal news in 1996 and 1997, and he does not purport to cover most other aspects of the relationship between the president and the press. And within the narrow scope of his research, he had only fragmentary access to important information. For legal and political reasons, White House aides were probably not inclined to volunteer the whole truth. What's more, the story is still unfolding: Just before the book went to press, Kurtz had to add a sketchy epilogue on the Monica Lewinsky affair.

Spin Cycle does a fine job of explaining how McCurry and other Clintonistas manipulate the press. Unlike _Show Time_, it depends mainly on original reporting instead of Nexis searches. Kurtz is especially perceptive in laying out the elaborate effort to defend Al Gore against accusations of illegal fund raising.

For people interested in how Clinton has spun the news, many questions remain open. Here are a few.

Why have the media overlooked so many harsh personal attacks on conservatives and free market advocates? When Hillary Clinton testified at a 1993 congressional hearing on health care, Rep. Dick Armey (R-Tex.) said he would like to make the debate as exciting as possible. She answered: "I'm sure you will do that, you and Dr. Kevorkian." In most contexts, such a remark would merely be snide, but in this case it was cruel: As White House opposition researchers undoubtedly told her, Dick Armey's father committed suicide. Newspaper stories reported Armey's flustered reaction, but none explained the reason.

How has President Clinton gotten away with gaffes that would have sunk other politicians? On August 6, 1994, he said in Detroit: "The interests—the violent, extremist interests in this country that are trying to keep health care out of the reach of ordinary American working people—are a disgrace to the American Dream." Three days later, a few reporters asked press secretary Dee Dee Myers if she could name any health care groups that were committing violent acts. When they scoffed at her initial answer—that he must have been talking about anti-abortion protesters—she said: "I don't have any better explanation for you." Yet apart from stories in the *Boston Herald* and a handful of other outlets, Clinton's bizarre outburst got very little ink.

How did the president and his allies manage to put Republicans on the defensive on affirmative action? In 1996, liberal leaders such as Jesse Jackson hinted at a "cultural conspiracy" linking church burnings with efforts to roll back racial preferences. Fearful that some would brand them "racist," Republicans began backing away from the issue, thereby yielding a point that was both principled and popular. Did the White House coordinate the attack?

A final question arises from the opening line of one of Kurtz's chapters: "The White House war against Kenneth Starr was a curious and covert operation." So what are the elements of this "covert operation"? The answer to that question might come out only in court, if it comes out at all.

As of early 1998, Clinton's spin wars were still succeeding brilliantly. One could sum up his performance in six simple words: He lies. He cheats. He wins.

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Disney's World

By Steve Kurtz

The Magic Kingdom: Walt Disney and the American Way of Life, by Steven Watts, Boston: Houghton Mifflin, 453 pages, $30.00

Early on in my junior high years, during lunch period, a friend brought up how much he'd enjoyed the latest Disney movie—I think it was *The World's Greatest Athlete.* The rest of us paused and looked at each other. We weren't sure if it was cool to like Disney any more—or to admit to it, anyway. Yeah, we'd loved the animated films, watched *Walt Disney's Wonderful World of Color* on Sundays, and begged our parents to go to Disneyland when we were kids. But weren't we too old for this?

No one thought of Paramount or Universal productions this way, but Disney had carved out a niche. The name meant something: loved by kids, trusted by parents, and embarrassing to teenagers. How exactly did *Disney* go from an unknown name to a studio to a conglomerate to something approaching a way of life, both celebrated and derided?

Steven Watts's *The Magic Kingdom: Walt Disney and the American Way of Life* tries to explain this transformation. Walt Disney's life was a fascinating journey—would that the book were equally fascinating. Unfortunately, Watts, a professor of history at the University of Missouri, has chosen a poor format. He'll sum up in a few pages the progress Disney made over, say, a decade and then spend the next few chapters going over and over the ramifications. In discussing Disney's numerous projects, he'll dutifully, ploddingly report what the critics said, both for and against,

only occasionally enlivening the proceedings with his own point of view.

Nonetheless, an extraordinary story can be pieced together from Watts's stop-and-go narrative. Walt Disney was born in Chicago on December 5, 1901. From 1905 to 1910, he was raised on a farm in Marceline, Missouri. While Walt spent his adult life in big cities, he would still rhapsodize over his "little home town, Marceline." His father, Elias, was a strict, religious, sometimes violent man with socialist leanings. (He believed in tough love—he wouldn't even fertilize the crops, feelings his vegetables would weaken if they had it too easy.) Walt's success was an odd combination, both affirming the traditional values of his childhood and rebelling against the discipline and austerity of his Midwestern upbringing.

Young Walt had a talent for drawing, earning money doing illustrations for newspapers and advertisements. Leaving home in 1919, he found work at a commercial art studio in Kansas City. After being laid off, he started his own shop in 1920 with a new friend and lifelong colleague, Ub Iwerks. It went under in a month. Always hustling, Walt soon found a job at the Kansas City Film Ad Co., his first direct employment in animation. Fascinated by the process, he created humorous cartoons in his spare time and, in May 1922, struck out on his own again, starting Laugh-O-Gram Films. This time the venture lasted more than a year before going bankrupt. In July 1923, Walt left Kansas City for Hollywood.

Disney was a talented animator but an even better salesman, great at smooth-talking people into investing in his future. With implacable resolve, he built up his Los Angeles studio. Not once, but twice, when his animation shop was on the verge of great success, his staff was raided and Walt himself offered a cushy job if he'd merely cede artistic control. Both times he preferred to start over. In fact, Mickey Mouse was born out of desperation after Disney had lost the rights to his then-popular Oswald the Lucky Rabbit. (That no one today wears Oswald Ears is testament to how much the sharpers underestimated Walt.)

With *Steamboat Willie* (1928), the first sound cartoon, Mickey Mouse became a star and Disney famous. Throughout the late '20s and '30s, his studio regularly turned out Mickey Mouse cartoons, introducing a formidable stable of players—Minnie Mouse, Goofy, Pluto, and, almost outstripping Mickey himself in popularity, Donald Duck. Alongside these shorts Disney produced the Silly Symphony series, which were less character-based and featured more free-ranging storylines and artistic styles.

AP / WIDE WORLD PHOTOS

Dogged Creator: Despite a string of failed ventures and bankruptcies, Walt Disney persevered to transform his name into a trademark. Throughout his career he experimented relentlessly—in films, television, and theme parks.

Experimenting as always, Walt attempted something that at the time seemed pure folly: feature-length animation. It was tremendously expensive and years in the making, but *Snow White and the Seven Dwarfs* (1937) became a huge hit. (Walt's enthralling three-hour performance acting out the story for his staff is still a legend at the studio.) Emboldened, Disney followed it with four other classics of the genre, *Pinocchio* (1940), *Fantasia* (1940), *Dumbo* (1941), and *Bambi* (1942).

This was Disney's golden age—a time of financial success, true, but one of even greater artistic success. The critics called him a genius, and his peers showered him with Academy Awards. (He won all eight Oscars given for short cartoons in the 1930s.) The work has held up. The Mickey Mouse and Silly Symphony series have been rivaled in wit only by the famed Warner Bros. output; for pure aesthetic quality, they remain without peer. The five features are still beloved—perhaps matched by some later work, but never surpassed. And they continue to pack a punch: A bizarre sequence like "Pink Elephants on Parade" from *Dumbo* is stranger and stronger than almost anything the actual surrealists ever did; probably more kids have been scared witless by Lampwick's metamorphosis into a jackass in *Pinocchio* than by *Dracula* and *Frankenstein* combined.

In the 1940s, Disney went downhill. There was a four-month animators' strike in 1941, quite acrimonious, though featuring some of the most creative picket signs ever. The walkout was over nonstandardized salaries and bonus structures, lengthy trainee probation periods, and a perceived lack of recognition. Walt resisted the strikers' demands, feeling he'd always played fair with his people. What he didn't realize is that a boss can get away with somewhat arbitrary management in a small shop, but as a company grows the tensions can become unbearable. Most employees actually sided with Walt, yet the bitter strike forever changed the close relationship he'd had with his animators.

Then came the war years, when the Disney studio practically enlisted, churning out training, education, and propaganda films, often mixing live action with

animation. Not only were they lesser works artistically, they weren't particularly remunerative. After World War II, Disney seemed to have lost his way. Short films, his bread and butter, were no longer in great demand. Perhaps uncertain of what to expect in a postwar audience, and fearful of the great emotional and financial commitment required to develop full-length stories, he produced a series of animated features, including *Make Mine Music* (1946), *Fun and Fancy Free* (1947), and *Melody Time* (1948), in revue form. They provided some great moments but offered nothing to match his earlier classics.

Starting in the 1950s, however, Disney had something Americans aren't supposed to have: a second act. Perhaps it was a consequence of restlessness—he had conquered animation and may have been eager for new challenges—but during this period he turned his creative attention from Disney as cartoon maker to Disney as corporation, expanding with great success in several directions. In fact, not until this era were the Disney operations on truly solid financial footing.

Disney returned to full-length stories in animation, creating such charming works as *Cinderella* (1950), *Peter Pan* (1953), *Lady and the Tramp* (1955), and *101 Dalmations* (1961). More important, he started making popular live-action movies: nature films, such as *The Living Desert* (1953) and *The Vanishing Prairie* (1954); adventure, including *Treasure Island* (1950), *Twenty Thousand Leagues Under the Sea* (1954), and *Swiss Family Robinson* (1960); and a steady diet of dramas (1957's *Old Yeller*), comedies (1961's *The Absent-Minded Professor*), and musicals (1964's *Mary Poppins*). Equally significant was Disney's move into a new form, television. Not only was the weekly prime-time show a hit, making Uncle Walt a celebrity, but the daily *Mickey Mouse Club* became a phenomenon, and a Davy Crockett series started a national craze.

Biggest of all, of course, was Disneyland, a leap into the unknown which advisers thought foolhardy. The gleaming 160 acres in Anaheim revolutionized the concept of the amusement park, and the operation was successful beyond all projections. Walt was planning Disneyworld—a chance to do Disneyland right, with all the room he needed—when he died suddenly on December 15, 1966.

Disney had been a high roller, yet the tremendous prosperity of his last 15 years or so was solidly built on earlier successes. He turned out superior work for more than 30 years, and a generation had grown from children into adults associating his name with outstanding, accessible entertainment. Thus he was perfectly positioned to turn *Disney* into a trusted trademark for family fun in new media. Combining a commitment to quality with a willingness to adapt, he was able to broaden his commercial vision while making few missteps.

Animation is a unique form, and Disney, a hands-on boss, was able to get something none of the other great artist/perfectionists of Hollywood (Chaplin, Von Stroheim, Astaire) could ever achieve—complete artistic control. Not a square inch appeared on the screen unless Walt wanted it that way. And unlike live-action auteurs, almost no effect was beyond his reach. Disney was an innovator in animation, doing new things with sound, color, and even duration.

So what does Watts make of all this? He separates the "golden age" from the later work of the 1950s. So far, so good. But when he gets to particulars, the commentary tends to be facile in the extreme. For example, Watts thinks the early cartoons, with the persistent Mickey Mouse and the feisty Donald Duck, expressed Walt's "sentimental populism"—the average citizen overcoming adversity—a theme that went over well during the Great Depression. Could be. But the theme of the little guy taking on the bully hardly needs to be shaped by a Midwestern childhood. Nor does it require a 1930s audience. One of Disney's favorites, for instance, was Charlie Chaplin, whose quasi-Victorian "little fellow" was popular 15 years before the Depression.

Watts analyzes the feature-length movies along similar lines: "With marked populist overtones, [*Pinocchio*] chronicled a quest for stability, self-definition, and humanity within a threatening social environment." He's referring to *Pinocchio*, but would it matter if he meant *Snow White* or *Cinderella* or *Jungle Book* or *Hercules*? This sort of analysis could apply to any number of coming-of-age stories. It doesn't distinguish Disney from the competition. The audience was responding to something more.

That something was Disney's command of the medium. Walt was a masterful storyteller—probably his greatest talent. He hired the best available people—and since there was a depression, he was able to get them cheap (*that's* how the times affected his work). He eagerly took advantage of the latest technology. With such attributes, he would likely have been a success in any era.

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Walt expressly disavowed political intent in the 1930s, but historian Watts can't accept this. Maybe there is a point of view in his cartoons, but they're a pretty varied bunch. The Disney studio turned out 15

to 18 shorts a year, and the main commonalities were fine draftsmanship, clever gags, and enjoyable scores. You can read what you want into wild physical comedy, well-synchronized music, and characters beating the odds, but Disney could have borrowed much of this from other movies of the time.

The "vision" of a Midwestern Protestant turns out to be not all that different from the "vision" of a handful of Eastern European Jews. When messages do come across (especially in the features), it's because the tales Disney adapted were meant to be cautionary and instructive to children, and when Walt told a story he knew he had to tell it like he meant it. But even when Walt wanted to teach, entertainment came first.

Watts sees the Disney of the '50s shifting toward "libertarian populism." Don't get too excited. It's hard to pin down exactly what Watts means by this term. He mostly seems to use *libertarianism* in a negative sense. This new populism still has the same old positive belief in individual autonomy and the power of small producers, perhaps now with a new faith in technological innovation. But on the down side, Watts says, "it encouraged a suspicion of big bureaucratic institutions, be they governmental or financial, public or private." This, Watts contends, was Disney's reaction to the Cold War. During the Eisenhower years, Disney offered a "narrower, more defensive rendition" of the "older, optimistic, inclusive populism of the Depression era."

In fact, I think this is Watts's reaction to the Cold War, something he can sink his teeth into. Here, Watts starts to really go off the rails. To be sure, Disney changed in the '50s. And yes, his newer work was often corny (Disney proudly admitted this) and sometimes bland. It didn't reach the heights of his earlier work, but it was still children's entertainment of a higher quality than most.

In some ways, this new world of Disney was Walt's greatest creation—a multibillion-dollar organization built around beloved children's characters, with enormously valuable copyrights, hit movies, and parks that are bigger tourist destinations than most countries. This creation was by no means an historical inevitability: Once again, it was mostly due to one man's dreams.

Watts, however, sees a chance to tie it all to the McCarthy era and the Cold War and simply goes overboard, too often ignoring the financial and artistic achievement to concentrate on overheated, even absurd analyses: *Lady and the Tramp* and *101 Dalmations* become symbolic of "the disruption of modern domestic life," while the light comedy *The Parent Trap* (1961) "explore[s] explicitly and seriously the threat to the Cold War American Family." The Disney nature films are "an unspoken rejection of the hovering Communist specter of artificial government direction and centralized planning." Watts gives us pages and pages of this stuff. Disney films are worth investigating from a sociocultural perspective, but that doesn't mean every investigation is worthwhile.

Reading *The Magic Kingdom*, one is ultimately struck by the imagination and energy of Disney as both filmmaker and businessman. His productive life is one of the most intriguing of this century. Watts's scholarly research (there are 57 pages of notes) has turned up enough information for several books. Unfortunately, he tells his story in a way Walt wouldn't have let get past a first draft. ◆

Steve Kurtz once won $700 in the Disney category on Jeopardy!

Effective Compassion

By Amy L. Sherman

The Triumphs of Joseph: How Today's Community Healers Are Reviving Our Streets and Neighborhoods, by Robert L. Woodson Sr., New York: The Free Press, 158 pages, $20.00

I've never thought of calling my elderly friend Mrs. Rogers "Joseph," but I may begin doing so now that I've read Robert L. Woodson's thoughtful book, *The Triumphs of Joseph: How Today's Community Healers Are Reviving Our Streets and Neighborhoods.* Mrs. Rogers is the "community grandmother" of Blue Ridge Commons, a low-income housing development where my church's urban ministry center is located in Charlottesville, Virginia. Though in her late 70s and in frail health, she retains an indomitable commitment to work for her neighborhood's improvement.

For 27 years, she has counseled single moms in distress, lovingly pushed wayward teens in a better direction, served as president of the tenants association, organized block parties and service projects, and lobbied city officials for better service and more cops. She is the spiritual head of Abundant Life Ministries, my church's partnership with the residents of Blue Ridge Commons. She guides and encourages us as we try to keep kids in school, match fatherless boys with positive adult male role models, dissuade the girls in our teen club from drugs and sex, and prepare adults for the work force through our job-and-life-skills training program. Mrs. Rogers is definitely what Woodson calls a "Joseph."

Woodson draws on the biblical story in which Joseph, a Hebrew boy persecuted by his brothers and sold into slavery in Egypt, eventually becomes second-in-command to the Egyptian Pharaoh by dint of his integrity, leadership skills, and uncanny powers of discernment. Along the way, Joseph overcomes many obstacles—including an unjust prison sentence—but never gives in to self-indulgent defeatism or abandons his faith in God. Despite his humble beginnings, minority ethnic status, and "dysfunctional" family, Joseph excels Pharaoh's courtiers in wise counsel and leads Egypt successfully through a seven-year famine.

Woodson argues that many such Josephs exist today in our inner cities and that these grassroots, faith-based leaders are effectively transforming lives and neighborhoods that no one else has been able to influence. His book tells their stories. The "Josephs" speak for themselves

through Woodson's interviews, and we get a close look at a few particularly effective organizations through his short case studies. While not a social scientist, Woodson makes a thoughtful journalist, not only describing the Josephs but analyzing their philosophy.

Woodson has met these Josephs over many years through his National Center for Neighborhood Enterprise, an umbrella organization that supports grassroots urban leaders who are reclaiming the lives of drug addicts, rescuing youth from gangs, fighting crime, renovating abandoned properties, and launching inner-city businesses. Many Josephs have themselves undergone radical personal transformation—liberation from a life of drugs or crime—and are devoting themselves to helping others caught in such traps. Other Josephs are neighborhood residents who resisted these pathologies and succeeded despite innumerable obstacles, and are now giving back to their communities.

Freddie Garcia, an ex-drug user whose Texas-based Victory Christian Fellowship has led over 13,000 men and women out of addiction, is a Joseph. So is Toni McIlwane, who left her abusive husband and single-handedly mobilized residents in a drug-infested, violence-ravaged Detroit community for a campaign that has cut crime by 42 percent. The members of McIlwane's Wade Street Block Association each pitched in $25 and installed new lawn lamps until the whole block was well-lit. Then they shut down the crack dealers by purchasing and renovating the abandoned properties the dealers used.

Carl Hardrick is a Joseph who has spent 30 years mediating gang conflicts and leading kids out of gangs in Hartford, Connecticut. By building a friendship with the teenage leader of Hartford's largest and most notorious gang, the Magnificent Twenties, Hardrick was able to convince the Twenties to turn from violence to community service. Twenties members now sponsor youth festivals, deliver meals to the elderly at holidays, and run a job training program teaching boys construction skills.

Josephs like these have been effective with even the toughest cases for several reasons, argues Woodson. They personally know the streets and they make themselves available "24–7"—all day, every day. They view those they help as friends, not clients. They emphasize discipline and insist that those they help take responsibility for themselves and abandon a victim mentality. Their approach is personal and flexible, and they seek not merely "rehabilitation" but personal transformation. Josephs want to persuade people not only to abandon deviant behavior but to commit themselves to a new, purposeful life of service to others. Freddy Garcia's Victory Fellowship, for instance, has found that teaching addicts to be sensitive to and feel responsibility for others is fundamental in getting them to transform their own lives.

Most important, Woodson writes, Josephs "have forged an effective, internal, spiritual response to the spiritual and moral atrophy of our civil society which goes far beyond the limitations of conventional remedies of professional therapy and economic assistance." Most Josephs are faith-based. They don't talk of dysfunction or pathologies or being "at risk"—language that implies material deficiencies that can be redressed by public policy. They use words such as *sin*, *brokenness*, and *redemption* and assert that power from God must be brought to bear to effect healing and change. They focus on individual behavior and individual responsibility, stressing that the biggest obstacles to positive change are internal, not the external economy or environment. As one graduate of Victory Fellowship puts it, "The problem is inside you."

Woodson's lament in *The Triumphs of Joseph* is that these effective community healers are often ignored—or, worse, opposed—rather than celebrated and supported. In his formulation, "Pharaoh's courtiers" have conspired against the Josephs and their assumptions and strategies: "There are many powerful social, economic, and political institutions that have a proprietary interest in the continued existence of the problems of the poor, the denial of the existence of solutions, and the portrayal of low-income people as victims in need of defense and rescue," writes Woodson, in a characteristic passage.

These institutions, Woodson says, include the civil rights establishment, the "poverty industry" of social workers and government agencies focused on the underclass, and various politicians who align themselves with these interests. The civil rights establishment is hostile to Josephs, Woodson contends, because it knowingly advocates race-based preferential policies

Mean Streets and Why They Stay That Way: "There are many powerful social, economic, and political institutions that have a proprietary interest in the continued existence of the problems of the poor, the denial of the existence of solutions, and the portrayal of low-income people as victims in need of defense and rescue," writes Robert Woodson.

that benefit better-off blacks at the expense of poor blacks. Moreover, by emphasizing racism and victimization themes, civil rights leaders undermine the crucial values of personal responsibility, self-sufficiency, and determination preached by the Josephs.

Government agencies and large, state-funded nonprofits running social programs judged only by their laudable intent, rather than by their dismal concrete results, also frustrate the Josephs. These organizations cultivate the very dependency Josephs must combat. And Josephs with creative, unconventional-but-effective programs to lift people out of poverty have been stymied by government red tape.

Grassroots efforts to encourage African-American families to adopt needy kids from the foster care system, for example, are hampered by the extended duration of mandated "home studies." A tenant-ownership initiative sponsored by residents at the Kenilworth-Parkside public housing complex in Washington, D.C., was denounced as "ridiculous" and "a hoax" by Reps. William Clay (D-Mo.) and Maxine Waters (D-Calif.), now the chairwoman of the Congressional Black Caucus. Woodson complains that since 70 cents of every public dollar spent on "poverty programs" is absorbed by service professionals, the poverty industry has a vested interest "not in boosting the poor to self-sufficiency, but in maintaining and expanding a client base of dependents."

Recent welfare reform represents a "pro-Joseph" policy shift. Welfare reform has changed the incentives for government agencies: Now they will be rewarded for moving people off the dole rather than for keeping them on. This should help decrease dependency and reinforce the Josephs' advocacy of personal responsibility.

Additionally, the "Charitable Choice" provisions of welfare reform make possible increased funding for faith-based Josephs who want to expand their outreach without compromising their religious character. "Charitable Choice" permits faith-based organizations to discriminate on the basis of religion in their hiring; to constitute their boards of directors without government interference; and to retain a "religious atmosphere" (i.e., to have religious

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art work and symbols) in their facilities.

Woodson wants to see the Josephs more respected and better funded, and he believes this will happen if we "use the principles that drive our market economy to guide our approach to societal challenges." The marketplace allows different groups to compete and rewards the group with the best outcomes. Woodson argues that the Josephs have the best success rates and, therefore, private and public resources should be directed their way.

But a serious word of caution is appropriate. Part of the reason for the Josephs' success is their personal approach, which could be compromised if individual Josephs try to do too much. We should focus most of our efforts on replicating and multiplying effective Joseph models, rather than pumping enormous sums into current Josephs and perhaps unwittingly undermining them with our largess.

Woodson seems aware of this danger; he is careful to distinguish the grassroots Josephs from the large, well-funded, impersonal, "religious" charities that are sometimes indistinguishable from their government counterparts in method and ideology. Unlike true Josephs, these organizations are religious only in name; their faith—and the commitment it inspires—does not drive and shape them.

This insight highlights the importance of scrutinizing "faith-based ministries" while they are being indiscriminately lauded by politicians and the media. The healing that Woodson has witnessed emerges from Josephs whose faith emphasizes objective, knowable truth and immutable standards of right and wrong. *This* is the faith Woodson has seen "work."

In our postmodern culture, though, what's acceptable is a "spirituality" which believes that all spiritual journeys are equally valid and that everyone is free to get in touch with the higher power that best meets his/her needs. Effective Josephs reject this vague spirituality, believing it impotent for effecting deep internal transformations that set people on a healthy, constructive course.

Josephs assert that people must be accountable to objective standards of right and wrong, not just fashion their own subjective moral code. Submitting to an authoritative moral law—whether proclaimed by Muslims or Jews or Christians—provides people with firm guideposts around which to order their lives.

Secular social programs which, like the Josephs, emphasize personal responsibility, self-control, delayed gratification, and discipline can also get good results. But it's the faith-based groups that have succeeded with the worst cases, with "irredeemable" individuals who have participated in vain in multiple secular programs. As one former drug addict told Sen. Dan Coats (R-Ind.), "Those [secular] programs take addictions from you, but don't place anything within you. I needed a spiritual lifting."

But Woodson clearly wants even those who do not share the Josephs' religious values to share his enthusiasm for their practical results. He advocates creative partnerships between the Josephs and businesses. Businesses can gain from such collaboration, he argues, because they need reliable workers and insiders' information about neighborhoods, and Josephs can supply both.

Woodson also outlines new guidelines for cooperation between philanthropists and Josephs. He supports Marvin Olasky's "effective compassion"—replacing distant, bureaucratic, indiscriminate charity with personalized, privatized services to the poor—but says it doesn't go far enough. "Effective compassion" is flawed to the extent that it relies on outsiders to come in and rescue the poor. Woodson wants the charitably inclined to enter communities as Joseph supporters, not as rescuers who view residents as passive beneficiaries of their programs.

Robert Woodson wants to see the "Josephs" more respected and better funded, and he believes this will happen if we "use the principles that drive our market economy to guide our approach to societal challenges." The marketplace allows different groups to compete and rewards the group with the best outcomes.

This good counsel emerges out of the sad reality that some resource-rich outsiders have been patronizing despite their good intentions and have even sometimes undermined the effective, if modest, work of inner-city Josephs. But Woodson's caution should not be taken so far as to ignore the important role being played by what we might call inner-city "Nehemiahs."

Wise and compassionate, Nehemiah inquired into the welfare of the Jerusalemites while he was living far away from them. Upon hearing of their distress and of the deplorable condition of the city wall, Nehemiah wept, decided to become personally involved in the restoration of the wall, and journeyed to Jerusalem.

Once there, he personally examined the wall and then began forging friendships with Jerusalem's leaders, encouraging them to come together to rebuild the wall. He then invited everyone to participate in the great project—the skilled and the unskilled, men and women, the wealthy and the commoners. Like Woodson's Josephs, current-day Nehemiahs get up close and personal with the people they serve and identify with the community. They see the assets of the neighborhood and not just its needs. They invite residents to participate in the design, implementation, and evaluation of community improvement efforts. They insist on personal responsibility, and they enter distressed communities with a willingness to learn as well as teach.

"Brother Bob" Mathieu is a Nehemiah. A white Pentecostal preacher, Mathieu moved into inner-city Washington, D.C., in 1971 and immediately sought out black evangelical leaders in the area, admitting that he was eager to help but needed advice. Since then his D.D. Christian Ministries has helped hundreds of kids eschew drugs and stay in school.

Similarly, Wayne Gordon, a middle-class white guy from the Midwest, launched Lawndale Community Church in inner-city Chicago over 23 years ago. He

began by coaching at the local high school and studying the Bible with young black men in the neighborhood. Since that modest beginning, Gordon and the Josephs he's helped to raise have transformed several city blocks. Within spitting distance of the church now stand the Lawndale Community Development Corporation, which renovates homes and capitalizes small businesses, and the Lawndale Community Health Clinic, which serves 4,000 patients each month. The church also runs an after-school tutoring program, a college opportunity program, a Christian counseling center, and a job training program.

I've met Nehemiahs like Mathieu and Gordon in low-income communities in Phoenix, Richmond, Detroit, Nashville, Chattanooga, and Baltimore. They've invested for the long haul, patiently building friendships, earning trust, and mobilizing residents to transform their communities. When I've interviewed neighborhood residents concerning their opinion of these outsiders who have become insiders, they typically say the Nehemiahs have succeeded because they practice what they preach and offer love and hope.

It is certainly true that in many inner-city communities important, if modest, institutions of civil society are too often overlooked. And it is wrong when well-doers barge in from outside and fail to see these people and groups, or simply dismiss them. But it is also true that there are atomistic inner-city neighborhoods that lack any signs of civic cooperation.

In these settings, a Nehemiah from outside the neighborhood can serve as a catalyst to spark a resurrection of cooperation and community-mindedness. And sometimes Nehemiahs, through their "indigenous leadership development" efforts, are the ones who identify potential Josephs, invest in them, and eventually turn over leadership of community projects to them. If we are too quick to judge *all* outsiders as potential problems for Josephs, we will miss the critical role being played in many communities by Joseph-loving, Joseph-supporting Nehemiahs.

Amy L. Sherman is director of urban ministries at Trinity Presbyterian Church in Charlottesville, Virginia, and an adjunct fellow of the Manhattan Institute.

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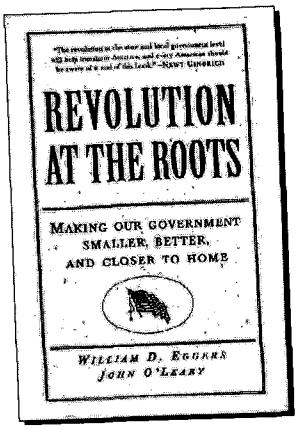

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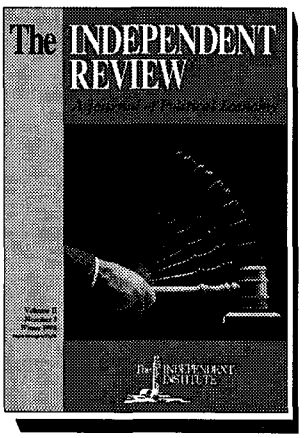

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Tax handouts for sports zillionaires—great idea!

By Thomas W. Hazlett

Ah, the national pastime. Baseball is enjoying a fine season, spurred on by the expansion of both leagues, a fortuitous act that welcomes the civilized sport to new venues and, incidentally, calls up a pride of eager young minor league pitchers to the Big Show. Small wonder that an all-star team of power hitters, led by Ken Griffey Jr. in the American League and Mark McGwire in the National, is on pace to break Roger Maris's single-season home-run record.

But the big baseball news has increasingly little to do with earned-run averages or pennant races, but with public financing of new stadiums. The idea of the ballpark as municipal development project has become as American as Cal Ripken Jr., who as a Baltimore Oriole plays in Camden Yards, the Taj Mahal of government-subsidized sports palaces.

The theory is that building a gleaming new stadium is a great high for fans. Let me confirm the allegation: I know I heartily enjoy a trip to Camden Yards, even though I have no interest in American League teams or players. But I also heartily enjoy, as does ex-Rep. Dan Rostenkowski, a trip to Morton's steak house. The question really is: Why is one a legitimate claimant for taxpayer funds?

The main argument is that ballparks generate massive economic development, revitalizing cities almost as fast as the Florida Marlins can liquidate a championship team. New York Mayor Rudolph Guiliani points to a study by his administration that shows consumer spending in Manhattan would rise $1 billion per year if a new Yankee Stadium were built on the West Side—plus "thousands and thousands and thousands of jobs," in the mayor's precise calculation.

The reality is that the studies trotted out to justify the public subsidy are as phony as the zeros they arbitrarily tack onto their empirical estimates. Not only don't city planners know what new benefits will materialize, they have little idea—or incentive to discover—what existing spending will be quashed by the diversion. Folks who blow $100 on a Yankees-Indians game, two hot dogs, four beers, and a nonfat double latte are not going to spend that same sum that same night dining out at Elaine's. In New York, the opportunity cost of moving the Yankees' home to 33rd Street and 11th Avenue is painfully apparent to those in the Bronx, "a borough whose identity is inextricably linked to the ball club," as *The New York Times* put it.

Yet sports stadiums are perfect vehicles for city hall insiders to wheel and deal; the mayor gets a ribbon-cutting to die for, and all the local hacks can wangle a piece of the consulting or contracting business. City officials typically obtain box seats at the new park as freebies, without all the fuss and muss of an indictment for bribery. Add a media blitz: the daily newspaper and the AM sports-talk outlet will flack shamelessly for their financial self-interest in promoting local sporting events (and the accompanying ad revenues). How curious that William Wrigley and so many baseball owners in a far less lucrative sports era were able to build great ballparks with private funds—think of the billions and billions in public benefits that may have been lost!

The comic aspect of taxpayer-funded sports stadiums is that it would be difficult to devise a source of revenue generation which would more perversely skew incomes. The subsidies are borne by working stiffs who consider themselves lucky to sneak the family into the bleacher seats once a season at the Pleasure Dome they labor to provide through taxes, fees, and the like. The pretty new facility, however, will enable their bosses to sip sauvignon blanc while lounging in luxury boxes, while the team rakes in the bonus revenue. These funds are divvied up among millionaire owners and millionaire players, and then tucked away in diversified portfolios comprising shares in Chilean ostrich farms, Czech Howitzer factories, and Wyoming ski resorts. The ballpark subsidy seems almost a perfect way to actually suck disposable income *out* of a regional economy.

Which is exactly what the real science on the matter has found. According to Andrew Zimbalist, the Smith College economics professor who edited a book on the topic of *Sports, Jobs, and Taxes* (Brookings, 1997), "There has not been an independent study by an economist for any stadium built over the last 30 years that suggests you can anticipate a positive economic impact....The overwhelming majority of any new revenue generated by a [New York] stadium would go to Steinbrenner and the Yankees' players."

The Camden Yards situation is illustrative, because it's a success by any measure—except economic rationality. Attendance increased by two-thirds, and great benefits were generated: $41 million in local spending by out-of-town fans. But the Camden Yards "investment" has created a paltry 460 permanent jobs in downtown Baltimore (offset by job losses elsewhere). While the Orioles sell an extra $16 million in tickets a year, the public loses $9 million on the stadium annually. On net, private Maryland incomes would be *$11 million higher* each year without Camden Yards, estimate Johns Hopkins economists Bruce Hamilton and Peter Kahn.

So here's the play of the day: Public money is used to buy fluffier seat cushions for corporate fat cats attending their favorite sports show in architectural splendor, fattening the bulging offshore accounts of team owners and players. And the cities tell us that they are starving for tax dollars. Imagine that.

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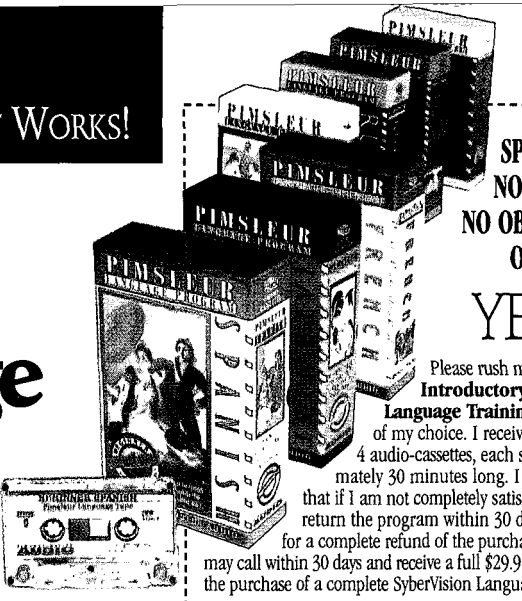

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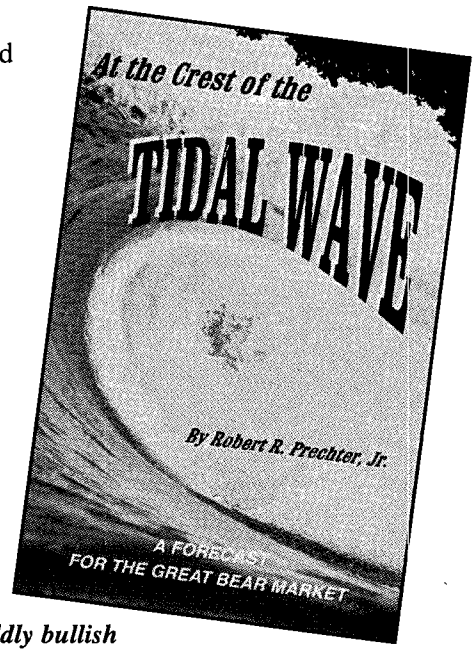

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